Daily Report
Latin America

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Rio Group Cancels Meeting of Foreign Ministers

PY1207014194 Madrid EFE in Spanish 2209 GMT 11 Jul 94

[Text] Brasilia, 11 Jul (EFE)—The Brazilian Foreign Ministry today announced that a meeting of foreign ministers of the Rio Group that was to be held in Brasilia on 12 July has been canceled because of the suspension of Japanese Foreign Minister Yohei Kono's trip to Argentina and Brazil.

Foreign ministers of the Rio Group—or the Group of Eight, which is the main forum for concerted political actions in Latin America —were scheduled to meet with the Japanese foreign minister in Brasilia to discuss Japanese economic interests in the region.

The cancellation of Kono's trip as a result of the death of DPRK leader Kim Il-song has in turned forced Itamaraty to cancel the Rio Group meeting.

A Brazilian Foreign Ministry spokesman said: "We will reschedule the 12 July meeting of foreign ministers of the Rio Group because the main purpose of the gathering was to meet with the Japanese foreign minister."

A Japanese Foreign Ministry communique states that Kono, who is also deputy prime minister of Japan, "was forced to suspend his trip to Argentina and Brazil in light of the situation in the DPRK."

Kono, who attended the 20th Group of Seven (G-7) summit in Naples (Italy), returned to Tokyo with Japanese Prime Minister Tomiichi Murayama, thus canceling his Latin American tour.

The Rio Group is also studying in Brasilia a common position to be submitted at the Summit of the Americas, a meeting of 33 presidents called for December by U.S. President Bill Clinton. The Rio Group consists of the old members of both the Contadora Group and the Support Group.

Brazil's Amorim Addresses Investment Forum

PY0707134794 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 7 Jul 94

[Text] The new Brazilian currency will certainly attract investment to Brazil, and this will have, above all, positive effects for consolidation of Mercosur [Common Market of the South]. This statement was made today by Foreign Minister Celso Amorim, who attended the opening session of the third European-Latin American forum on investment, held in Sao Paulo.

Amorim said the real plan has had positive results in international markets, adding that the new currency will attract investment to Mercosur:

[Begin Amorim recording] Brazil has always been the largest market among the four Mercosur countries, as it accounts for 70 or 75 percent of the regional market. This was already a very significant factor because Brazil is the largest consumer market for Argentine, Paraguayan, and Uruguayan products. Stabilization, however, was the factor that was still missing. [end recording]

At the Sao Paulo State Federation of Industries' headquarters, Amorim opened the third European-Latin American forum on investment, which will end today. The closing session will be attended by Finance Minister Rubens Ricupero and Industry and Commerce Minister Elcio Alvares.

Caricom Leaders View Recent NAFTA News

FL1207015494 Castries ITS Caribvision Television in English 1945 GMT 11 Jul 94

[Text] It appeared to have been much ado about nothing as Caricom leaders learned last week that United States President Bill Clinton failed to address a request from Jamaica and Trinidad and Tobago for individual entry into NAFTA. Prime Minister P.J. Patterson of Jamaica and Prime Minister Patrick Manning of Trinidad and Tobago heard the news while in Barbados attending the 15th Caricom Summit last week.

[Begin recording] [Unidentified reporter] NAFTA and how the Caricom Community should seek (?accession), collectively or individually, cautiously, or with some sense of urgency has troubled the heads of this conference throughout the week. The news today that the President of the United States has released a list which categorically does not include Trinidad and Tobago, or for that matter, Jamaica, seemed to cause only a moment of panic. For Trinidad and Tobago, the specter of Chile taking our place caused not even a blink. The minister of industry and trade said he had better news. A report from Washington that reveals that his country is tied for top place in a list measuring eligibility of NAFTA hopefuls.

[Trinidad and Tobago Minister of Industry and Trade Kenneth Valley] [Passage indistinct] NAFTA [words indistinct] taking Mexico [words indistinct] Central America, [words indistinct] Chile, Trinidad and Tobago obviously the next step [word indistinct] on to the Western Hemisphere [words indistinct] Caribbean [words indistinct].

[Reporter] Why, you may ask, was Trinidad and Tobago left off the list if it has already passed the test. Mr. Valley says it all has to do with internal U.S. politics. All along, the heads have been debating the implications of a technical study which suggest that Caricom deal with the situation of [words indistinct] from Washington by developing a collective co-optive stance by adopting the measures required to improve our international competitiveness, a suggestion that has suddenly loomed large with this new information on Chile.

[Valley] We have [words indistinct] that are a concern to us in Caricom. They include the question of debt relief, of the need to cushion short-term fluctuations which occur in the balance-of-payment situation for [words indistinct] all countries. We constantly are looking for increasing short-term employment opportunities for our citizens overseas. We have been sure that all sectors of production are placed on a competitive footing so that when we get on [word indistinct] access to the markets in North America, we are [words indistinct] entry that we will not be able to overcome.

[Reporter] That's true. There is an issue of integrity of Caricom, while the hope of the unified approach will remain the ideal, particularly for those countries most likely to be affected by a fractured Caricom.

[Valley] Trinidad and Tobago had indicated interest, before there were Caricom countries, of accessing NAFTA, but after we have met, we have decided that we would want to go as a region. The decision has been taken.

[Reporter] There now seems little hope that Trinidad and Tobago will wait on anybody.

[Valley] We in Trinidad and Tobago [passage indistinct] expectation [words indistinct] tell the people that we have to remain in that [word indistinct] condition.

[Reporter] Mr. Valley, when Trinidad and Tobago becomes the center of (?ECS) activity, if the headquarters are actually located in Port of Spain, it will help a great deal in Trinidad and Tobago's case for entry into NAFTA. [end recording]

Differences Among Mercosur Partners Discussed

PY1107145094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2126 GMT 8 Jul 94

[Special report for NOTICIAS ARGENTINAS by Jose Maria Monzon]

[Text] Next 5 August will be the last opportunity for the presidents of the four Mercosur [Common Market of the South] member countries to personally reconcile the economic and commercial differences that still divide them and threaten to postpone the implementation deadline.

The presidents of Argentina, Brazil, Uruguay, and Paraguay will meet in Buenos Aires on that date within the framework of the last summit before the expiration of the deadlines established by the Treaty of Asuncion.

That treaty was signed in May 1991. It foresees the launch of Mercosur on 1 January 1995. It states that the coordination of macroeconomic policies and the establishment of a common external tariff to enable a customs union between the four partners are indispensable for attaining this objective.

The deadline is less than half a year away, but there are still differences among the four member countries, especially between the two leading partners; Argentina and Brazil.

The coordination of macroeconomic policies requires nothing less than a miracle since Brazil's persistent instability conspires against every attempt to establish any lasting rules.

Brazil has just implemented a new and ambitious plan to curb inflation and stabilize the economic indicators. This endeavor will barely mature in time to influence the fulfillment of Mercosur guidelines.

The truth is that Brazil's instability is only one aspect that conspires against Mercosur. The others include differences between the two governments over the levying of tariffs on important items like informatics, telecommunications, and the chemical industry.

Unlike Argentina, Brazil intends to maintain high customs duties to protect its domestic industries and is unwilling to allow Buenos Aires' open-market crazy ideas to thwart its development plans.

Following numerous negotiations, the two countries have managed to agree on 85 percent of the products that require a common external tariff. It seems unlikely they will reach consensus on the remaining 15 percent and the tariff percentage, which gauges Mercosur's openness to the world, will probably remain pending after 1 January 1995.

But beyond these differences, the heads of state must also draft a political response to the invitation extended by the EU (former EEC) to establish a free trade zone with Mercosur.

The reply, which will probably be affirmative, will be included in the joint declaration the presidents will issue at the end of the summit. This declaration will also leave the door open for similar negotiations with NAFTA.

Argentine diplomatic circles are optimistic about an agreement with the Europeans and point out that if a customs union, albeit imperfect, is established within Mercosur as of 1 January 1995, the basis for an agreement with the EU will be ready at the end of the second quarter of next year. Should this agreement be approved it will take 15 years to become effective.

The Menem administration gambles that the start of these negotiations will not be incompatible with other negotiations so that Argentina alone—or with its Mercosur partners—may also establish an association with NAFTA. Some Argentine officials have said it is important to have different offers so as to be able to choose the best.

Cuba

Castro on 'Eventual Signing' of Tlatelolco Treaty

FL1107124494 Havana Radio Progreso Network in Spanish 1100 GMT 11 Jul 94

[Text] The visit to Cuba by Brazilian Foreign Minister Celso Nunes Amorin marks an outstanding moment in Cuban-Brazilian relations. This was stated by Cuban President Fidel Castro during the reception held by Brazilian Ambassador Jose Nogueira Filho to mark the visit to Havana of the Brazilian delegation headed by Foreign Minister Amorim. Fidel pointed out that bilateral ties are progressing very well and described Amorim's visit as an important contribution to Cuba's development.

Fidel pointed out that talks with Amorim covered Havana's eventual signing of the Tlatelolco Treaty on Nonproliferation of Nuclear Weapons. Fidel added that commercial relations are developing between both Latin American nations and he praised Brazil's calls for respect of Cuba's sovereignty and selfdetermination. Fidel went on to say that in Cartagena de Indias, President Itamar Franco's position on Cuba was very good. Fidel added that this position was reiterated in the letter by Itamar which was delivered by Foreign Minister Amorim.

Brazilian Minister: Embargoes 'Make No Sense'

FL0907111394 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 9 Jul 94

[From the "NTV" newscast]

[Text] Brazilian Foreign Minister Celso Nunes Amorim has been on a tight schedule since arriving in Havana this morning.

His first outing today was to accompany Cuban Foreign Minister Roberto Robaina to historic Plaza de la Revolucion to honor Jose Marti, our national hero. Nunes Amorim later visited the Finlay Institute with Carlos Lage, Council of Ministers vice president.

Nunes Amorim, who is well versed in science and aware of Cuban efforts in this field, visited Cuba seven years ago as an official of the Brazilian Science and Technology Ministry. He held a friendly meeting with Concepcion Campa, Politburo member and Finlay Institute director. The tour of the center, which is largely responsible for the bilateral agreement through which Brazil purchases 35 products at a cost of $30 million in two shipments, was brief but intense:

[Begin Nunes Amorim recording] [Words indistinct] great interest in establishing important cooperation with industries such as the sugar industry and the rum industry. This important cooperation could be strengthened. As you know, we already have medical cooperation agreements. We want not only to purchase medicine from Cuba but also to exchange technology. Cuba is very advanced in some areas. We believe that Brazil has much to offer Cuba in developing other areas, such as the agricultural and livestock industries. [end recording]

Both foreign ministers, accompanied by the Brazilian ambassador to Cuba, met the diplomatic corps in our country by 1200. Nunes Amorim and Robaina, as well as other officials, then met at the Foreign Ministry for official talks, which were cordial and frank.

Nunes Amorim met Cuban Tourism Minister Osmany Cienfuegos this afternoon. Nunes Amorim also met Cuban Basic Industry Minister Marcos Portal during the first day of his visit, who gave an extensive explanation of the area he directs. One highlight was the presentation of illustrious guest insignia to Celso Nunes Amorim by the Havana City peoples government:

[Begin Nunes Amorim recording] Embargoes and discriminatory measures make no sense today, if they ever made sense. We are determined to increase dialogue with Cuba not just to help increase cooperation with Brazil but to allow for Cuba's reincorporation into the inter-American system. That is our message, as President Itamar Franco stated during the Cartagena summit. It is the message of a helping hand. Our actions should inspire a helping hand policy and not an isolationist policy. [end recording]

Commentary on Haitians Fleeing 'Imminent U.S. Invasion'

FL1207010394 Havana Radio Rebelde Network in Spanish 1155 GMT 7 Jul 94

[Commentary by Orlando Contreras from the "Doing Radio" program—live or recorded]

[Text] Thousands of Haitians take to the sea in small boats because they are afraid of an imminent U.S. invasion. The acute political crisis in the country has resulted this year alone in the murders of 350 people, according to the United Nations, as well as an undetermined number of people tortured, beaten, and raped.

The Clinton administration is under pressure from liberal sectors within the government and has had to temper discrimination against Haitian emigres after hundreds of real refugees were returned to Haiti, some of whom were killed upon their forced return to their country. But the Haitian exodus, as any diplomatic corps third secretary could have foreseen, has increased enormously. Now Washington has steered another course. The Clinton administration does not want them home, yet dares not return them to Haiti because of the fear that the public would denounce that policy as discrimination against Haitians, and at the same time would prove that among those forced to return, some would be killed. As the United States does not want them, yet does not dare to return them to Haiti, those Haitians who do not drown in the Caribbean after setting sail in small fishing boats, Washington will send to virtual concentration camps outside U.S. borders. To accomplish this, the

United States has exerted pressure on the Panamanian Government of President Guillermo Endara, who is about to conclude his term in office, to accept nearly 10,000 Haitians on a Panamanian island for an undetermined period of time. Also, Washington has ordered its Marines to build a miniconcentration camp at the Guantanamo Naval Base, which the United States illegally occupies in Cuba, to confine Haitians citizens there.

Meanwhile, the Haitian people are victims of a total blockade imposed by the United States and endorsed by the OAS and the U.N., which went into effect during May. On the 11th of May, the [Haitian] military installed an old man in the presidential chair: Emile Jonassaint, former Supreme Court magistrate. Jonassaint informed the OAS and the U.N. delegations yesterday that they were to leave Haiti.

While the Haitian crisis is reaching dangerous limits, Haiti's constitutional President Jean-Bertrand Aristide's presidential term is about to end, in exile, after the bloody coupe d'etat in September of 1991.

Washington has also followed an acute zigzag policy with Aristide. The last two U.S. administrations have not only had a zigzag policy with the constitutional president of Haiti, but now it has announced that an invasion has not been disregarded. Some analysts believe that the countdown has begun and will be fulfilled before year end.

More International, National Flights Announced

FL0807153894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 4 Jul 94

[Report by Hilda Prieto and Ruben Prieto for the "NTV" newscast]

[Text] The city of Vitoria, in the Basque Provinces, will be linked with Santiago de Cuba effective tomorrow with the inaugural flight of the Spanish tour operator Politours.

Politours has been advertising Cuba as a tourism site since 1982 and it brought 13,000 Spanish tourists to the island in 1993.

The advertisement campaign about tourist sites in Cuba's eastern zone has resulted in Politours' inaugural site from the Basque Provinces to Santiago de Cuba.

[Begin unidentified speaker recording] In fact, almost all our circuits include Santiago de Cuba and it is an area we like; and it is quite interesting from the tourism viewpoint. [end recording]

One hundred sixty tourists from the Basque Provinces will travel to Santiago de Cuba in an [Ilyushin] IL-62 chartered from Cubana de Aviacion by the Spanish tour operator, which includes traditional circuits like Havana, Varadero, Cayo Coco, and Cayo Largo.

[Begin unidentified speaker recording] This year we started, or are trying to start, tourism in the area of Santa Lucia, which is a novelty for us. [end recording]

Moreover, in a national context, another air route will allow a link between Havana, Varadero, and Trinidad with the implementation of two regular flights each week—effective tomorrow. The new route—organized by Cubana de Aviacion, Cubatours travel agency, and the Rumbos Havana recreation and tourism company—has been inaugurated and it intends to increase the potential in these territories of widespread tourist sites.

Directorate board members and representatives of these companies' marketing teams inspected the facilities offered by this new route, with one-day and week-end options, which include a round trip ticket, bearing in mind there will be eight flights every month—on Mondays and Fridays. According to reports from Cubana de Aviacion Vice President Emilio Gonzalez, this will be an alternate route—based on space available in every flight and with a special rate—for local passengers.

This historic area will be the final destination and it will give international tourists a new option—an era frozen in time whose architectural and cultural characteristics have become the patrimony of mankind. The Holy Trinity Church will now bear witness to the tourism activities that these agencies and companies advertise for the enjoyment of a broad program where you let your imagination fly.

[Havana Radio Rebelde Network in Spanish at 1700 GMT on 7 July reports "a new air route between Mexico City and Santiago de Cuba will be inaugurated on Saturday. The information was given here by Alejandro Cervantes, director general of Tourism Air Services, SAT, of Mexico." He said an agreement was signed with Cubana de Aviacion and Cubanacan "to carry Mexican passengers, basically labor union members, to Santiago de Cuba" on a weekly basis. Cervantes said "1,500 passengers are already booked for the first three months."]

Castro Holds Meeting With CTC Secretariat

FL1107152494 Havana Radio Reloj Network in Spanish 1402 GMT 11 Jul 94

[Text] Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and president of the Councils of State and Ministers, last week held a work meeting with the secretariat of the Cuban Workers Federation [CTC].

The 11 July edition of the weekly TRABAJADORES adds that Fidel talked with the secretary generals of the national unions. The subject was the implementation of measures to mend domestic finances and other aspects of the economic and labor life of the country.

Comrades Carlos Lage, member of the Politburo and secretary of the Executive Committee of the Council of

Ministers; Jose Luis Rodriguez, finance and prices minister; and Francisco Linares Calvo, labor and social security minister, were also present.

Sanchez: Government Waging 'Dirty War' on Dissidents

PA1207021394 Paris AFP in Spanish 1525 GMT 9 Jul 94

[Text] Havana, 8 Jul (AFP)—Cuban dissident Elizardo Sanchez Santacruz, sentenced on 8 July to six months house arrest for possession of 300 liters of gasoline whose origin he could not explain, said he was the victim of a "dirty war," which, according to him, authorities are waging on Cuban dissidents to make them seem like criminals.

In a telephone interview shortly after his sentencing in a Havana municipal court, the president of the Cuban Commission for Human Rights and National Reconciliation (CCDHRN) denounced a "dirty war consisting primarily of covert actions against the human rights movement and political opposition sectors to make us seem like common criminals."

Elizardo Sanchez called the crime he is a accused of having committed a "lie" and he confirmed that "at least 20 to 30 dissidents" had been arrested in recent weeks under similar circumstances.

He also stressed that his conviction comes precisely at a time when a Mexican political movement had invited him as an observer to the 21 August legislative and presidential elections in Mexico.

According to PRENSA LATINA, the court had originally sentenced Sanchez Santacruz to six months in jail but decided to change the sentence to six months "limited freedom," which he must serve at home.

Penal Code Modification Allows for Confiscation of Goods

FL1107155394 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 7 Jul 94

[Text] The confiscation of goods or items attained through criminal activity is also contained in the modifications made to the penal code by Decree-Law 150. Jose Luis Toledo, deputy prosecutor of the Attorney General's Office, explains:

[Begin Toledo recording] The penal code provided for the confiscation of items directly connected to a crime and not belonging to third parties. The current modifications establish a broader concept of items that can be confiscated by adding the term goods; in other words, goods and items. Now, not only the items in the possession of the accused can be confiscated, but also those in possession of third parties with ties to the accused or resulting from criminal activity. These items are on occasion given to third parties in order to avoid prosecution or to cover tracks in order to profit at a later date. The modifications implemented will make it possible to also confiscate those items and transfer ownership of those items to the Cuban state. [end recording]

Contingent Strives to Improve Electric Generation

FL0807185094 Havana Radio Rebelde Network in Spanish 2300 GMT 4 Jul 94

[Report by Luis Lamont from Mayari, Holguin Province, for the "Exclusive" program]

[Text] Members of the Rene Martinez Tamayo Contingent plan to mark the 24 July anniversary by completing the construction of 24 projects, out of more than 60 projects, to begin operating the first generator at the thermoelectric plant being built in Mayari's community of Felton.

Their current priorities include the assembly of a main water supply pipe measuring 230 mm in diameter and 9.5 km in length, and other tasks that will allow access to 110 kw of electricity to start the generator; as well as completing the chemical water treatment plant and the sea water canal.

The more than 1,100 members who comprise the contingent, which has been a national vanguard unit for many years, rise to the challenges posed by adversities and prove with their daily efforts they will be able to complete the first 250-megawatt generator by year end.

Given the Czech technology's efficiency, there will be more guarantees for stable electric service in the eastern provinces if a synchronization is achieved next year. This will substantially favor mining and metallurgical development in Holguin's northeast areas for the achievement of economic and social goals.

Havana Province Directorate on Potable Water

FL0907005594 Havana Radio Progreso Network in Spanish 1100 GMT 8 Jul 94

[From the "Doing Radio" program]

[Text] The Havana Province aqueducts directorate reports the water supply for Playa Municipality will be suspended today due to a stoppage at the Ariguanabo aqueduct, the main water supplier for the area. Assistant Director Lourdes Mijan said the stoppage will allow repairs in six public faucets attached to large distribution pipes and at the main source. It will also permit the replacement of two pump motors in the largest wells. It was also reported that water shortages will continue in Centro Havana and La Havana Vieja, due to low water levels in El Cura and Vento springs. Diez de Octubre Municipality has begun to restore its distribution following repairs to a water pump in Palatino, and Plaza de la Revolucion Municipality suffered several interruptions due to low pressure in the Southern basin.

Roundup of Economic Developments

FL0907110994

[Editorial Report] The following is a compilation of reports on economic developments monitored between 5 and 7 July:

More than 780 caballerias of sugarcane were planted during the spring planting season in Havana Province. The planting goal was set at 760 caballerias. As for efforts to weed by hand, the province is currently at 85 percent of its goal. (Havana Radio Rebelde Network in Spanish 2300 GMT 7 Jul 94)

The Camilo Cienfuegos Basic Cooperative Production Units, in Minas, Camaguey, reportedly has a good level of self-sufficiency. The unit was short of meeting all its goals due to a manpower shortage but hopes to increase its production and reach its goals for the planting campaign. The unit has 85 caballerias, of which 70 have been planted with sugarcane. The unit hs 84 workers, most of whom are directly related to production tasks. (Havana Radio Rebelde Network in Spanish 1700 GMT 5 Jul 94)

A total of 15,253 caballerias of sugarcane in Camaguey Province were weeded by hand during the first half of 1994, an increase of 1,750 caballerias over the same period last year. Experts reportedly warn that weeding efforts must not fall behind because current weather conditions cause weeds to grow faster. (Havana Radio Rebelde Network in Spanish 2300 GMT 7 Jul 94)

A total of 20 rice combines are at work in Granma Province. The combines are a product of the Combinadas Caneras Sexagesimo Aniversario del Triunfo de la Revolucion de Octubre factory, in Holguin Province. (Havana Radio Reloj Network in Spanish 1932 GMT 7 Jul 94)

The Rene Martinez Tamayo construction contingent hopes to complete 24 of the 60 projects needed to complete the first generating unit of the power plant being built near Felton, Mayari municipality, Holguin. The more than 1,100 members of the contingent hope to complete the unit by year's end. (Havana Radio Rebelde Network in Spanish 1700 GMT 5 Jul 94)

Rafael Torres Fernandez, transportation workers union general secretary in Villa Clara Province, has reported that 17 transportation enterprises cut their financial losses by 63 percent—or 980,000 pesos—during the first four months of 1994. (Havana Radio Reloj Network in Spanish 1959 GMT 7 Jul 94)

The "(El Yarei) tourist villa [villa touristica]," in Juiguani Municipality, Granma Province, has made over $84,000 in less then six months. The "villa," part of the Cubanacan group, has 14 rooms and will soon have a pool. (Havana Radio Rebelde Network in Spanish 2300 GMT 7 Jul 94)

Caribbean Liner Operations—The Caribbean Queen oceanliner, owned by Jamaica's InterCaribe company, has transported more than 8,500 tourists from Jamaica to Santiago de Cuba since its maiden voyage in late 1993. (Havana Radio Reloj Network in Spanish 1949 GMT 7 Jul 94)

The 30-minute "Doing Radio" program addresses the issue of subsidies and stipends for university students, highlighting the following points: There will be no changes in subsidies for university students who are currently enrolled; changes in subsidies will affect university students who enroll next year; Cuba invests more than 25 million pesos in student grants annually; more than 300,000 students are committed to working in the student work brigades, of which 110,000 are currently working at agricultural camps; university students enrolling for the first time will receive student loans; students who graduate with a five-point grade average will not have to pay loans; students who graduate with a 4.5 grade average only have to pay 50 percent of their loans; student loans will be given to those who need loans, in an effort to prevent anyone from being denied an education for lack of money; Order 18 students are not affected by the changes; subsidies given to Order 18 students total 5 million pesos; no changes in stipends were made for Order 18 students, since they are generally older, have served in the armed forces, and have families; stipends for Order 18 students are set at 45 pesos during the first year and increases 10 pesos every succeeding year; and students working as interns at the university or hospitals will continue to receive their salary or stipends. (Havana Radio Rebelde Network in Spanish 1155 GMT 5 Jul 94)

General Congratulates Matanzas on Inspection Score

FL0907005394 Havana Radio Reloj Network in Spanish 1934 GMT 8 Jul 94

[Text] Division General Joaquin Quintas Sola, head of the Central Army, has congratulated Matanzas Province on scoring well during a recent Army inspection. Speaking at a ceremony marking the inspection's conclusion, he said that the score the province received is the result of a systematic effort carried out over the years to perfect defense preparations. He pointed out that if Matanzas improves in a few areas, it will be ready to compete for the emulations that will be given to the provinces of the Central Army. In that sense, Politburo member Yadira Garcia, first secretary of the party in Matanzas Province, highlighted the urgency of working on those weak spots. All municipalities obtained a score of four on the inspection, except for Union de Reyes; of the 40 specialties, Matanzas scored outstanding in one, satisfactory in three, and good in 28.

'Straight Talk' Views Cuban Democracy

FL0807155394 Havana Radio Rebelde Network in Spanish 1600 GMT 4 Jul 94

["Straight Talk" program with host Osvaldo Rodriguez of BOHEMIA magazine and guest Renato Recio of the newspaper TRABAJADORES]

[Text] [Rodriguez] Good afternoon, friends. This is Straight Talk on Rebelde. Today's topic is Cuban Democracy. My colleague, Renato Recio from the newspaper TRABAJADORES, and myself, Osvaldo Rodriguez from BOHEMIA magazine, will be talking on this topic during today's program.

Renato, as of late—and I say as of late to point out the most recent incidence—a campaign has been launched from abroad to damage the image of the Cuban democracy, because in most of the countries from which the attacks are made they consider democracy to be a multiparty system with presidential elections. I believe that we should focus on this during the program and once again reiterate what our democracy is and what our democratic rights are.

[Recio] You just said that we would reiterate this once more. I do not want it to be once more. I just want to express my personal conviction. First, I want to start by looking at the bad things and I want to look at those things that have affected us in this aspect of democracy.

For many years, the countries of the socialist bloc, including Cuba, gave the initiative to capitalism and enemy nations and to political leaders, who were enemies of socialism, concerning the meaning of the word democracy and the concept of democracy. We allowed the international press agencies, our enemies' ideological propaganda, to make democracy a something of their own and put us, the socialists, in a certain defensive position. I believe that in a certain way we were a bit shy in the appreciation of our own democracy and our very own democratic virtues even in the self-analysis, and the struggle to perfect our own democracy.

Therefore, I believe Cubans have no need to discuss whether the presidential system, the electoral system, or the existence of many parties are democratic or not. The Cuban people have already experienced this first hand. We already lived through it and it is in our history books, and some, who lived during that period still remember what it was like.

In Cuba there was electioneering, and an autocratic leadership. There were elections every four years and there were many parties. At one period of the republican history there were 14 parties. Nevertheless, all this had nothing to do with democracy. We are to call them democracies based on the Lincolnian principles. Lincoln—and I do not want anyone to think that Lincoln had socialist or anticapitalist tendencies—said that democracy was government of the people, by the people, and for the people.

Therefore, based on that definition, one could say that anything that contributes to government of the people, by the people, and for the people is democracy. Everything that does not contribute to that, even if it is labeled as democracy and free elections, etc., is not democracy. In that sense, I want to say that even in the Cuban electoral process we have a method and form and we hope to continue perfecting this system.

But, I would like to refer to a very important facet of democracy which can barely be seen in other societies and which to us is one of the things that determines the existence of a substantial democracy. It has nothing to do with universal elections, or votes, nor the parliaments that govern. It has to do with the people's manifestation of the interests of each group, sector, and element of society.

[Rodriguez] We are discussing Cuban democracy on Straight Talk. I would like to point out that this exclusivity to which you were referring exists in the Cuban case. Just recently, someone told me of an Italian parliamentarian, a member of the European Parliament, who was present at a progress report which was recently held in a neighborhood of Havana, a residential sector, a zone with many difficulties. He accompanied Ricardo Alarcon, the president of our National Assembly of the People's Government. At that place, and in presence of Ricardo Alarcon, they discussed specific issues relating to that neighborhood. They even spoke of water shortages. Many serious problems were discussed in that meeting.

When they left there, this parliamentarian commented that such a democracy did not exist in his country or in any other European country. In those countries no one, least of all the president of the parliament, would face a neighborhood with such serious difficulties. He was a witness that this was not preplanned. You can imagine that if it were something preplanned they would never have taken him to a neighborhood such as this one, a so-called unhealthy [insalubre] neighborhood.

This demonstrates that we have an open democracy. It demonstrates that we are truly open people, open to foreigners who may want to observe our democracy.

[Recio] I believe we have nothing to fear, or nothing to feel ashamed of when we talk about our society's democratic spirit. That does not deny that we have to watch ourselves constantly to see if our democratic institutions are truly working and to see if they are constantly working to perfect themselves or if they have elements of ritualism, formal elements that are not compatible with our reality and if there is a tendency towards stagnation.

I believe we must always have a self-analytic vision because democracy is not a state that is given freely, it is something for which one must struggle constantly.

From a philosophical point of view—I say philosophical because I am going to refer to the words of Jean Jacques Rousseau, who said that the community of interests is the support of democracy. Therefore, I believe we can state that Cuban society, a society without classes, a society where there is a well-established national spirit, where that national spirit does not contradict an internationalist vocation, a society of people who are practically equals, has the conditions to develop a true and substantial democracy. That substantial democracy allows men to interact and to aim all the processes towards everyone's interests.

That is what democracy is about. Democracy cannot promote licentiousness or irresponsibility. There is a type of democratic liberty that some societies want to present as something positive: We are talking about the right to insult, harm, and fill the people with ignoble thoughts. That is not true liberty nor is it the expression of democracy.

[Rodriguez] Nevertheless, despite the good democratic practices that we have in Cuba, there are always complaints by citizens. There are always ideas that at some point one of their rights may not have been respected. I am going to ask you as a citizen, do you feel that any of your rights as a citizen, or your democratic rights, have ever been denied?

[Recio] Osvaldo, I believe our society is facing very difficult circumstances. I should say that democracy is also related to the material possibilities. If one goes to one of these assemblies of the peoples government, as you have mentioned, you can see that some people ask for the solution of things that cannot be solved. In that case and at that moment democracy is somewhat useless.

Your question is very interesting: Have I ever felt that my democratic rights have ever been denied; if at sometime I have not been allowed to say what I wanted to say; or that I was unable to solve what I wanted to solve through democratic means?

I believe, as I said before, I have felt that my democratic rights have been taken away and as I said before that Cuban society is not a perfect society because its material base is imperfect and because the democratic institutions must perfect themselves even more.

But, I believe the Cuban people have what I was talking about just before: a community of interests, an education, a political awareness, and a national spirit, which allows citizens like you or me to understand, at a determined moment, that not all processes are perfect and that we all have to do something to improve our democracy.

I wanted to give an example of democracy in action. A current example is the economic efficiency assemblies, which were preceded by the workers parliaments. That is a good program. It still has not been fully developed but to see the democratic potential of our society one only has to go to one of these assemblies and see how the people analyze, propose ideas, criticize, and present solutions to the problems. They do so with an understanding and an awareness. Those other politicians, parties, or institutions, who claim to be democratic, have the people mired in ignorance, illiteracy, and incapacity to judge the processes of society and of nature itself.

[Rodriguez] Or other governments that claim to be the leaders of democracy and forbid their citizens to travel to a specific country, as in the case of the United States which forbids its citizens to travel to Cuba.

[Recio] I agree with you. To sum up what I was saying, I remember one of Marti's verses which reads that we must be educated to be free. We are interpreting freedom here as the exercise of democracy.

We must continue perfecting democracy. We must be satisfied with what we have, not criticizing it, nor feeling inferior to anyone else regarding democracy, but always struggling to improve this path. I repeat my earlier statement: Democracy is not a gift from heaven, it is not given freely, the need to continue its development never ends, and it is a process of constant struggle to improve our human—in all senses of the word—participation in all its processes.

I believe that only in a revolution, inspired by true humanism, and a revolution that practices socialist humanism, only under this condition, can one aspire to reach true democracy.

[Rodriguez] Thank you Renato Recio for having spoken clearly here on Straight Talk on Radio Rebelde on Cuban Democracy.

Dominican Republic

Coalition Urges 'Absolute' Annulment of Elections

PA1207023194 Paris AFP in Spanish 0101 GMT 12 Jul 94

[Excerpts] Santo Domingo, 11 Jul (AFP)—Today, a coalition of seven political groups led by the social democratic Dominican Revolutionary Party asked for the "absolute" annulment of the 16 May general elections, considering they were "absolutely tainted."

In a statement disclosed following a plenary meeting of its leaders, the coalition stated "under no circumstances" will it accept the proclamation of President Joaquin Balaguer as winner of the elections. [passage omitted]

The opposition coalition demanded new elections "under the strictest supervision of the civilian society and international organizations so as to guarantee the purity and openness of the electoral process."

Approximately 3.5 million voters registered to vote in the elections to choose a new president, congressmen, and mayors.

Ten Injured in Protests Over Election Results

PA1107222594 Madrid EFE in Spanish 2101 GMT 11 Jul 94

[Text] Santo Domingo, 11 Jul (EFE)—At least 10 people were injured in clashes between police and demonstrators today as strikes continue in several poor neighborhoods throughout Santo Domingo. The demonstrations are in protest of alleged fraud during the recent general election.

Police reported confiscating 20 homemade bombs that were presumably to be detonated during the day's strike activities. The demonstrators were demanding to know the whereabouts of Narcizo Gonzalez, a university professor and critic of the government.

Organizer Ramon Almanza, a coordinator for the Union of People's Organizations [Colectivo de Organizaciones Populares], said the strike was a success and was supported by a majority. He indicated that the action had the "acceptance" of the opposition Dominican Revolutionary Party (PRD), although it did not participate.

EL NACIONAL newspaper reporters said that armed civilians, believed to be members of the ruling party, traveled through the protest areas openly waving guns and rifles to intimidate the strike organizers.

The Union of People's Organizations reported that the police arrested over 100 of its members.

The PRD, the political party that reported the alleged fraud, also complained that about 100 of its militants had been arrested in the capital and in cities throughout the countryside.

Since last night police have maintained tight security in the poor neighborhoods in Santo Domingo.

The strikers are demanding that the Central Electoral Board call repeat elections in those communities where the PRD has reported wrongdoings against it.

The PRD believes that 200,000 Dominicans were unable to vote for the party on 16 May because of improprieties committed by the ruling Social Christian Reformist Party in conjunction with the electoral board.

The strikers are also demanding to know the whereabouts of Narcizo Gonzalez, a university professor and a critic of the government. He disappeared some 50 days ago after publicly questioning President Joaquin Balaguer and military and police leaders regarding their administrative and political responsibilities.

Haiti

AFP Cited on Deadline for UN-OAS Mission Departure

FL1107160794 Port-au-Prince Radio Tropic FM in French 1500 GMT 11 Jul 94

[Text] The authorities have given a 48-hour deadline to the UN-OAS civilian mission to leave Haiti. The de facto Haitian authorities have given a 48-hour deadline to the personnel of the UN-OAS International Civilian Mission to leave the country. This is what diplomatic sources at the United Nations, quoted by AFP in a dispatch from New York, announced today. The request was sent by the Haitian authorities to the premises of the mission in Port-au- Prince, the sources explained. The international civilian mission currently includes nearly 120 UN-OAS employees in charge of seeing to it that human rights are respected in Haiti.

Government Decrees UN/OAS Mission 'Not Welcome'

FL1107222794 Port-au-Prince Radio Metropole in French 1600 GMT 11 Jul 94

[Text] The Jonassaint government put an end to the activities of the UN/OAS civilian mission. The provisional government of President Jonassaint, which is concerned with avoiding any incidents or provocations, decreed on 8 July that employees and members of the UN/OAS civilian mission are not welcome on national territory. A 48-hour hour deadline has been granted to them. In its considerations, the Jonassaint government says that an international agreement providing for governance of the mission's activities in Haiti has never been submitted for ratification by the Haitian Parliament nor promulgated in the forms provided for by law.

Through its irregular presence on national territory, this mission disturbs the internal public order and threatens state security, says the government, accusing the mission members of frivolity, malevolence, gratuitous accusations, and seriously jeapordizing the credibility of the government and national institutions. Consequently, the Jonassaint government declares as undesirable the international employees and foreign members of the UN/OAS civilian mission, and grants them 48 hours to leave Haitian territory.

Authorities in Port-au-Prince further advised the mission staff that the Armed Forces and the Haitian police have been informed of these measures so they can enforce their application.

It should be noted that the mission currently numbers about 120 UN and OAS employees and is charged with observing respect for human rights in Haiti. On Friday 8 July, the mandate of the mission was renewed for a one-year period by the UN General Assembly. It is reported that UN Secretary General Butrus Butrus-Ghali was due to discuss the latest developments of the Haitian crisis with his OAS ad interim counterpart, Christopher Thomas.

Army Instructed To Ensure UN-OAS Respects Order

PA1107164994 Madrid EFE in Spanish 1549 GMT 11 Jul 94

[Excerpts] United Nations, 11 Jul (EFE)—The "de facto" Haitian regime has given UN-OAS human rights observers 48 hours to leave the country and has declared them "personae non grata." This was reported today by a UN spokesman.

UN spokesman Juan Carlos Brandt said UN Headquarters in New York was informed of the decision by Eric Falt, UN spokesman in Haiti.

The source added that the Haitian "de facto" authorities also warned that the Armed Forces and police are on alert and have been instructed to ensure that members of the UN-OAS International Civilian Mission in Haiti respect the order to leave.

On Wednesday, the international organization announced it was temporarily suspending all activities in Haiti after the "de facto" government, headed by Emile Jonassaint, ordered them to suspend their activities and declared illegal their presence in the country. [passage omitted]

The UN spokesman said meetings are being held today at the United Nations between high-ranking UN political affairs officials and Dante Caputo, the Argentine citizen who is the special envoy for the Haitian crisis, to see what can be done.

OAS Acting Secretary General Christopher Thomas (Trinidad and Tobago) is participating in the meetings. Thomas plans to meet with UN Secretary General Butrus Butrus-Ghali this afternoon. [passage omitted]

Commerce Minister Condemns UN-OAS Expulsion

PA1107232094 Madrid EFE in Spanish 2123 GMT 11 Jul 94

[By Claudio Matos]

[Text] Port-au-Prince, 11 Jul (EFE)—Louis Dejoie, Haitian commerce and industry minister, today condemned the expulsion of civilian members of the OAS and UN international mission, whom the "de facto" Haitian Government gave 48 hours to leave the country.

The joint mission consists of at least 104 people who are in Haiti stemming from an agreement signed by the two international organizations with the constitutional government of Jean-Bertrand Aristide, who was toppled by a group of soldiers headed by General Raoul Cedras in September 1991.

In an interview with EFE, Dejoie criticized this decision, saying this could lead 160 nations to intensify their efforts to restore democracy to his country.

He insisted this development, compounded by a total embargo against Haiti, will worsen the situation.

"The 'de facto' government must resign and transfer power to the constitutional government of Robert Malval, whom the Haitian parliament has ratified" said Dejoie, who is also president of the National Industrial Agricultural Party (PAIN).

He added Emile Jonassaint's "de facto" government "has no other option, because it has been unable to resolve the situation, because the only one that can settle it is the constitutional government."

The Haitian commerce and industry minister, who is in Puerto Rico, said Malval has been accepted by parliament, Aristide, and all the other countries.

"In this regard, I reaffirm what I have said for the past two years, that an agreement must be reached with the two protagonists: the Army and Aristide," Dejoie said.

He said, if the leaders of the main political parties do not sit down to negotiate, there will be no resolution of the crisis, which, in his opinion, is not in the hands of the United Nations and Washington only.

Dejoie said the solution to the crisis is in Haiti, adding the minorities of his country also have a voice. He said, for example, as leader of PAIN, which is represented in the Senate and the Chamber of Deputies, the U.S. Government or the United Nations has never called him for consultations. He also said President Aristide is not the only speaker of the people's voice.

"We must put the economy and democracy back on their feet through a concerted effort. A people can no longer continue to be strangled by the actions of protagonist groups," the commerce and industry minister said.

The UN Security Council established the international mission in accordance with the Governor's Island Agreements, the initial goal of which was to help modernize the Haitian Army and create a new civilian police.

Clinton Comments at Naples Summit on Haiti Cited

FL1107161894 Port-au-Prince Radio Tropic FM in French 1500 GMT 11 Jul 94

[Excerpts] The eight [the Group of the Seven most industrialized countries and Russia] called in Naples on 10 July for an increase in pressures on the Haitian military to force them to leave power, but apparently avoided any debate on the increasing risks of U.S. military intervention. The joint statement requires the Army to allow the return of ousted President Jean-Bertrand Aristide and calls on the international community to put pressure on the Port-au-Prince de facto regime and to implement the strengthened UN sanctions voted against this country in May. [passage omitted]

Officials of the [U.S.] Administration admit in private that the increase in the number of boat people increases the possibility of resorting to force. Clinton was systematically questioned on this issue by the U.S. press during his stay in Naples. Describing the support of the eight for the restoration of democracy in Haiti as very vigorous, I did not talk about that to the other heads of state and government, he stated during a joint news conference with President Boris Yeltsin. [passage omitted]

Refugees Voluntarily Return From Guantanamo

FL1107222894 Port-au-Prince Radio Metropole in French 1600 GMT 11 Jul 94

[Excerpts] Four hundred boat people were delivered to Port-au-Prince this morning by the U.S. Coast Guard from Guantanamo, Cuba. According to their own statements, they themselves had decided to return. [passage omitted]

Another group of 400 boat people is expected this afternoon. The Haitian Red Cross, currently facing difficulties, has accepted a loan from the U.S. Embassy in Port-au-Prince to help them provide 200 gourdes to each repatriate.

Panama To Take Unspecified Number of Boat People

FL1107230894 Port-au-Prince Signal FM in French 1030 GMT 11 Jul 94

[Text] The incoming government of Panama will agree to receive an unspecified number of Haitian refugees who will be received on U.S. military bases, according to a 10 July statement by Panamanian President-Elect Ernesto Perez Balladares, in which he cited humanitarian reasons. Perez, who will take office on 1 September, succeeding President Guillermo Endara, added that he made this decision following discussions with Sol Linowitz and Michael Kozak, special emissaries of U.S. President Bill Clinton on the night of 9 July.

Endara had initially agreed to accept 10,000 Haitians before withdrawing his offer, citing pressure from Washington and disagreements on where they would be housed.

The president-elect said during a news conference at the Panama airport that the Haitian refugees could not remain in the country for more than six months and that they would be taken care of by Washington. The Haitians will have restricted freedom of movement in Panama, to guarantee their safety and well-being as well as that of Panamanians. Their exact number will later be determined during consultations between Panama and the United States, in light of our situation, and following health certifification, he added. Perez was speaking before his departure for a 12-day tour of Spain, Italy, the United States, and Mexico.

Outgoing President Guillermo Endara especially considered the U.S. proposal to take the refugees onto its Panamanian bases as contrary to the agreements on the retrocession of the Panama Canal to the Panamanian Republic in 1999. Endara's change of mind struck a blow at relations with the United States, which is faced with the problem of a massive flood of refugees, and which is trying to encourage governments in the region to help receive them.

Police Capture Matamoros Cartel Boss

PA1107131794 Mexico City UNOMASUNO in Spanish 8 Jul 94 p 13

[Text] The Attorney General's Office (PGR) yesterday informed that the Federal Judicial Police [PJF] had arrested one of the top bosses of the so-called Matamoros Cartel, Jose Escamilla Gonzalez, alias "El Chacho," who is a dangerous drug trafficker with connections to Colombia's Cali Cartel.

Jose Escamilla Gonzalez was arrested as a result of an operation by federal agents in a hotel being constructed on Calle Independencia in Ciudad Aldama, Tamaulipas State. A warrant for Gonzalez's arrest had previously been issued by the Third District Court in Veracruz State.

According to Case No. 31/93 presented in the Third District Court in Veracruz, on February 1993 Jose Luis Escamilla Gonzalez was identified as the owner of 280 kg of cocaine base seized in Playa Vicente, Veracruz State.

During this operation in which one of his accomplices, Sergio Padilla Martinez, was also captured, the PGR confirmed the drugs came from Colombia and that they were owned by Escamilla Gonzalez who fled to the United States.

The PRG said that because of the large quantity of cocaine trafficked by Escamilla Gonzalez his importance among Matamoros Cartel members was equal to that of drug trafficker Luis Medrano Garcia, who is currently incarcerated in the Amoloya high-security prison in Ciudad Juarez.

Finally, the PGR said other members of the El Chacho gang operating in Matamoros, Tamaulipas, and Veracruz States are Julio Nevarez Garcia, Julio Nevares Longorio, and the brothers Juan Jose, Alberto, and Esteban Escamilla Gonzalez, who are linked to Juan "N" Guerra and his father Juan "N" Guerra Cardenas, who is an uncle of Matamoros Cartel chief Juan Garcia Abrego.

Government Accepts Obligations as OECD Member

PA1107125994 Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 6 Jul 94 p 2A

[Statement by the Foreign Relations Secretariat announcing the acceptance of OECD obligations; originally published in the OFFICIAL GAZETTE on 5 July]

[Text] The Secretariat of Foreign Relations has presented the decree promulgating the OECD Convention.

The document presents the Mexican Government's declaration on the acceptance of its obligations as OECD member, taking into consideration the OECD Convention of 14 December 1960 and supplementary Protocols 1 and 2 of the Convention. It also takes into consideration that the OECD Council can invite any government prepared to accept the obligations to join as a member of the Convention.

Therefore, by filing its instrument of adherence to the Convention, the Government of the United Mexican States will assume all the obligations as member of the organization, and it will accept the goals and objectives outlined in the report issued by the OECD Preparatory Committee in December 1960. The Mexican Government will also accept the OECD agreements that were in force at the time the instrument was filed, except for the points outlined in the declaration. Mexico has made some observations regarding to the following OECD agreements: Financial Markets, Maritime Transportation, Fiscal Matters, Insurance, Trade, Environment, and Tourism.

In addition, the Secretariat of Foreign Relations is also publishing the decree promulgating the Declaration by the United Mexican States accepting its obligations as OECD member.

Commerce Secretary on Increase in Exports

PA1207044694 Mexico City XEW Television Network in Spanish 0430 GMT 11 Jul 94

[From the "24 Hours" newscast]

[Text] Jaime Serra Puche, commerce and industrial development secretary, said today Mexican exports increased by more than 200 percent from 1989 to 1993. He said such a vigorous export activity has allowed a 15-percent growth in Mexico's economy over the past five years. Serra Puche said today at the Senate the course of modernization with justice set by President Carlos Salinas de Gortari is the appropriate one. He met with senators to explain why Mexico decided to sign GATT and a free trade agreement with Colombia and Venezuela. He said oil, oil byproducts, and expended assets were not included in the agreements. Serra emphasized the fact that President Salinas' policies have broad acceptance among the people:

[Begin Serra Puche recording] There are even several groups that opposed the policies during last five years that have reconsidered their positions and now see them as valid and appropriate for the domestic and international changes affecting economic development. [end recording]

Serra Puche was at the Senate meeting for more than three hours and he answered questions from 10 senators from the Institutional Revolutionary Party, the Party of the Democratic Revolution, and the National Action Party. The Senate plenum will now decide on whether to ratify Mexico's entry into GATT and the new free trade agreement with Colombia and Venezuela.

Secretary Praises National Solidarity Program

PA1107231594 Mexico City UNOMASUNO in Spanish 4 Jul 94 p 10

[Report by Luz Arcellia Camarana M.]

[Text] Acapulco, Guerrero State, 3 Jul—Social Development Secretary Carlos Rojas affirmed that the National Solidarity Program [PRONASOL] will remain in effect at least until the last day of the current administration, noting that it would be regrettable if it were suspended, probably affecting "millions of Mexicans," over a question of electoral policy.

Enrique del Val Blanco, assistant secretary for Regional Development of the Social Development Secretariat (SEDESOL), acknowledged that even though "we are not completely satisfied," PRONASOL has proved to be a unique and original instrument for making inroads into diminishing poverty in Mexico. From 1989 to 1993, he said, over $12.4 billion has been spent, 95 percent of which was implemented under PRONASOL in all federal entities. The two officials attended today the Pan-American Engineering Congress for Sustainable Development. During the meeting, experts, researchers, and authorities from various countries discussed poverty, its relationship to the environment, the huge investments required to overcome the situation, and how to reconcile the problem with countries' economic development.

Before participating in this event, the SEDESOL secretary stated that the projects and assistance pledged by PRONASOL will continue to be implemented regardless of the electoral processes in the country and the criticism by some opposition candidates. The most important thing, he stressed, is that "Mexicans remain united and attentive to the things that happen in the country so they can preserve that which is most precious; namely, peace and social stability."

Rojas affirmed that the social policy implemented by President Carlos Salinas de Gortari is unprecedented in the country's history. He acknowledged that there have been inadequacies and delays, but the results in terms of social services have been noteworthy, which is why efforts will be redoubled until each Mexican receives all the benefits he deserves.

Asked if PRONASOL will continue in the next six-year period, Rojas replied that the decision is up to the next administration, adding that some proposals by several candidates point to the advisability of continuing this policy. "It is my personal opinion that this is not just a decision of the administration but of all Mexicans."

He said the new officials will decide whether to keep the name PRONASOL or change it. The most important thing, he said, is that we have all learned a method of participative, organized, and shared work through the honest handling of its economic resources, and that is the best all Mexicans have had in recent years.

During this event, the SEDESOL secretary noted that sustained development requires profound institutional changes covering public administration, the price system, the framework for guidelines and regulations, cultural patterns, and the structure for the participation and shared responsibility of society as a whole, so the trend is to modify the general incentives framework and the package of opportunities faced by individuals and social organizations.

Rojas said the reason behind the change is to get individuals and organizations in society to work together toward the social objective of sustainable development.

He recognized that a change as complex, risky, and uncertain as this cannot be left to individual will or intransigence. It can only be possible through a gradual, orderly process of political and economic exchange between the government and individual and social organizations within a true state of law.

He affirmed that Mexico is making the decisions and taking the actions that will allow progress in this area by implementing clear, rational, and efficient policies. Such action is taken based on the basic principles of prevention; responsibility on the part of authorities; acceptance of environmental costs by those who generate them; equality and social justice in the allocation of environmental assets and services; and the distribution of costs and benefits.

Nevertheless, the head of SEDESOL emphasized that public environmental policies for sustainable development will require a swift evolution of current legislation. It will also call for the creation of specific conditions that will facilitate compliance, such as professionalization and control of inspection efforts; greater participation from the subjects of the regulations; and regulations that offer the incentives needed to achieve compliance.

Del Val Blanco, deputy secretary for regional development at SEDESOL, explained that the $12.4 billion administered by the PRONASOL program over the last five years is equal to one-third of the federal investment budget. This amount, added to other funds channeled to specific production groups and Solidaridad enterprises, raises that figure to 45 percent. He added that 95 percent of the total is applied through federal entities and carried out directly by the communities and their authorities.

He stated that the communities' active participation is an essential element for eradicating poverty. This need for participation, he stressed, is due to the complexity of the poverty situation. Only those directly involved in the program are in a position to point out the specific problems and, therefore, to propose more efficient solutions.

Jaime Sancho Cervera, director of urban development and infrastructure at SEDESOL, said engineers should seek alternatives for their projects, keeping in mind the

welfare of the people and sustainable development. In doing so they will beat poverty and increase environmental recovery.

He added that it is beneficial to draft global social policy strategies, which require the extensive participation of engineers, to encourage the improvement of living conditions and other factors traditionally related to poverty and its relationship to the environment.

Meanwhile, Daniel Pinerom, director of the National Autonomous University of Mexico's Center for Ecology, proposed providing federal, state, and municipal governments with continued guidance and advice about several ways to improve the environment. This would in turn lead to the establishment of adequate policies and to promote environmental education programs more in tune with the country's development goals.

Honduras

Troops Deployed To Prevent Occupation of Highways

PA1207034294 Panama City ACAN in Spanish 0201 GMT 12 Jul 94

[Text] Tegucigalpa, 11 Jul (ACAN-EFE)—The Honduran Army deployed troops to the northern area of the country on 11 July to prevent the occupation of highways and bridges as announced by the unions that are supporting strikers, who have been on strike for two weeks, of the banana component of the multinational Tela Railroad Company.

The Armed Forces issued a communique on 11 July warning that they will not allow restrictions on the freedom of movement. The Armed Forces also urged the approximately 6,000 banana company workers and its executives to find a negotiated solution through dialogue.

A military source has told ACAN-EFE "we deployed troops to prevent a stoppage of activities in the northern area of the country."

The Trade Union of Tela Railroad Company Workers (Sitraterco) declared an indefinite strike 13 days ago to demand a 48-percent salary increase and other social benefits.

Sitraterco and the company reached agreements last week on four of the five demands made by the workers, but they failed to reach an agreement on salary increases.

The company offered the workers only a 9-percent salary increase, but the Sitraterco rank and file rejected this proposal on 7 July, describing it as "a joke."

An executive of the multinational reaffirmed on 11 July "there is nothing to negotiate if Sitraterco does not accept the 9-percent offered by the company."

The workers stated that they are willing to accept a "reduction" of up to 20 percent as they announced new measures to pressure the granting of a just increase.

A labor leader said they have not ruled out a hunger strike and requested the mediation of Congress President Carlos Flores, "because the executive branch, which intervened in the negotiations through the Labor Ministry, has shown it was incapable of forcing the company to be more flexible."

The multinational, which has operated in northern Honduras since early this century, insists the country is failing to export approximately 30,000 18-kg boxes of bananas each day.

The strike has caused losses in the millions, but that has not not yet been quantified.

Honduras earns approximately $200 million for banana exports each year. Bananas, along with coffee, are the biggest generators of foreign currency.

The National Trade Union Federation of Honduran Workers (Fesitranh) has voiced its solidarity with Sitraterco and warned it will begin occupying highways and bridges this week to force the Tela Railroad Company to grant a salary increase.

Nicaragua

Consultation Protocol With Ukraine Signed

PA1107232794 Managua Radio Nicaragua Network in Spanish 1200 GMT 7 Jul 94

[From the "This Morning" newscast]

[Text] During a ceremony at the Olof Palme Convention Center on 6 July, Nicaragua and Ukraine signed the protocol that will govern the inter-ministerial consultation process between the two countries. The agreement will last for five years and will be automatically renewed every year thereafter.

The deputy foreign ministers of both countries, Jose Pallais and Nikola Petrovich, signed the document, which establishes periodic consultations to determine the status of agreements signed between the two countries and strengthen the exchange of ideas on international and bilateral issues. The agreement states the parties will assist each other in the scientific research of foreign policy matters and will promote the exchange of documents that might encourage the collection of information regarding relations between the two countries.

Panama

Endara Maintains Opposition To Accepting Haitians

PA1107201594 Panama City ACAN in Spanish 1729 GMT 11 Jul 94

[Excerpt] Panama City, 11 Jul (ACAN-EFE)—Official sources and international organizations today reported that, despite pressure exerted by the United States over the past few days, Panamanian President Guillermo Endara is maintaining a firm decision not to accept Haitian refugees in Panama.

When asked by ACAN-EFE if there were any last-minute changes in Panama's decision not to accept 10,000 Haitian refugees who are fleeing Raoul Cedra's military regime, a presidency source said, "nothing has changed since Friday."

UNHCR official Alina Correa said the UNHCR is working as usual, adding that Endara's decision remains unchanged. Correa added that a UNHCR delegation

arrived over the weekend in Panama to gather information on the official position of the Panamanian Government, as well as on the feelings of the Panamanian people, regarding the possible arrival of Haitians.

The official added that the UNHCR high-ranking delegation heard President Endara's statements to the press on Friday at the Palace of the Herons and is now presenting a report in Costa Rica, the country in which the UNHCR's regional headquarters is located.

Eduardo Nino Moreno, UN representative in Panama City, confirmed that a UN delegation had arrived in Panama to discuss the Haitian issue. When asked whether Panama was obligated to accept the Haitians, Nino Moreno said: "Perhaps obligated is not the most appropriate word. I would say that the agreement Panama signed states that the country is willing, not obligated, to accept refugees who have been persecuted for political, racial, or religious reasons."

The UN representative also was clear in stating that the Panamanian Government and the United Nations had signed no agreement on monitoring refugees at U.S. military bases in Panama should the Haitians be brought there. [passage omitted]

Makes 'Recommendations' To President-Elect

PA1107164694 Panama City LA PRENSA in Spanish 11 Jul 94 p 1A

[Report by Jose Otero and Roberto Lopez Dubois]

[Excerpts] Yesterday President-elect Ernesto Perez Balladares announced that after 1 September, when he will be sworn in, he will accept the arrival of an unspecified number of Haitian refugees, for a period of time not exceeding six months and under the U.S. Army's responsibility. [passage omitted]

President Guillermo Endara declined to comment on President-elect Ernesto Perez Balladares' remarks because he, Endara, had already buried "his hatchet." He referred to the controversy between him and Perez Balladares over accepting the refugees.

Endara, however, made several recommendations to Perez Balladares, the most important of which was that the president-elect should not permit the United States to send a "rude" negotiator.

On Friday, Endara accused Rand Beers, a negotiator sent by the U.S. Government to persuade Panama to accept 10,000 Haitian refugees, of being "rude."

In addition, Endara recommended that Perez Balladares negotiate with the United Nations rather than with the United States because Panama has signed several treaties with the United Nations whereby refugees must leave as soon as deadlines expire.

Endara also said the next president should consult on this decision with the country's various sectors, not only with his advisers. "Perez Balladares' most difficult job will be to persuade the public, something I was willing to do. After my disagreements with the U.S. delegates, however, I realized the uselessness of the difficult effort of convincing the many Panamanians who are afraid of the Haitians' arrival," he said.

Endara said the people could have been persuaded when they learned that the agreement would be signed with the United Nations instead. "I do not think the people would like this matter to be handled by the U.S. Army, which will soon be repatriated. The president-elect's decision will likely lead to increasing the U.S. military presence instead of reducing it," he said in conclusion.

Perez Balladares Views Dispute With Endara

PA1107141294 Panama City Telemetro Television Network in Spanish 1200 GMT 11 Jul 94

[Report by Julia Elena Alvear from the "Morning Newscast"]

[Text] President-elect Ernesto Perez Balladares has contemplated the Haitian refugee issue. He reiterated the position he expressed on 4 July—that Panama cannot be racist and that the acceptance of Haitian refugees under conditions that do not harm the nation can prevent an invasion of Haiti.

Perez Balladares, who was visited by U.S. negotiators, stressed that the amount of Haitians to be accepted should be the smallest number possible.

[Begin Perez Balladares recording] We wish to arrive at a happy resolution of this problem—a resolution that does not harm the nation's interests and does not give the people any reason to fear—by confining the Haitians under the care of those who are asking for this favor—namely, the United States and the United Nations. The number of Haitians should be limited, and they should stay for a limited period of time. These are the three conditions we have maintained since the beginning, and we are now reiterating them. These are the conditions under which I would accept the Haitians, if I were the current president, which I am not. [end recording]

The Haitian refugee issue not only created a controversy in our country, but it also damaged the transition between the current president and Perez Balladares.

[Begin Perez Balladares recording] Unlike the gentlemen with me here, Mr. Endara is neither my friend nor part of my government. Nevertheless, I am not making an issue out of this. Mr. Endara is the president of Panama until 31 August. I have no personal relations with him. I place the nation's interests above petty quarrels and disputes. [end recording]

Interviewed on Accepting Haitians

PA1107134494 Panama City Telemetro Television Network in Spanish 1200 GMT 11 Jul 94

[From the "Morning Newscast"]

[Text] At Miami International Airport, Panamanian President-elect Ernesto Perez Balladares reiterated his position regarding the Haitian refugees, which is based on three points. Perez Balladares spoke to international journalists at a news conference attended by Telemetro. At the news conference, Perez Balladares explained his views on the Haitian crisis. Later, in an interview, Mr. Perez Balladares spoke about the situation in Panama:

[Begin recording] [Unidentified reporter] What do the Panamanian people say? Do they agree?

[Perez Balladares] I believe that if the Panamanian people had been told that there was no threat to security or the danger of competition for jobs or housing and that these people would not be free to roam the country but, instead, confined within a camp, the Panamanian people would have reacted differently. Regrettably, I believe there was no attempt to offer a clear explanation to the Panamanian people, and of course, fears became exacerbated.

[Reporter] If the U.S. Government accepts your conditions, do you believe there will be any problem with the Panamanian people?

[Perez Balladares] I do not think so. I believe it is a matter of being able to offer an explanation and to carry it out. Regrettably, this is not my responsibility right now; it will be my responsibility after 1 September, and I am willing to see it through at that time. [end recording]

Perez Balladares reiterated that this situation should not alter the good relations that have always existed between Panama and the United States.

Statement on Haitian Refugees

PA1107142994 Panama City LA ESTRELLA DE PANAMA in Spanish 11 Jul 94 p 1A

[Statement by President-elect Ernesto Perez Balladares concerning the issue of receiving Haitian refugees in Panama; issued in Panama City on 10 July]

[Text] In light of efforts being made to receive in Panama groups of Haitians who are fleeing their country, and after calm and thorough consultations with my advisers and my party on this issue, while being motivated by deep humanitarian concern and wanting to help resolve the Haitian crisis, we want to make our position public:

1. The Haitians, whose maximum number is to be agreed upon—a number that can be handled under these conditions, provided they are previously certified as being healthy—could remain in Panama for a period of time not exceeding six months, as long as the U.S. Government guarantees the Haitians' departure from our country.

2. These Haitians must remain in Panama in places that are distant from our population centers and must remain under the primary control and responsibility of the U.S. Government and the U.S. Army, which would have full control over the Haitians' movements—in other words, limiting their freedom of movement in order to guarantee their security and their wellbeing, while, at the same time, guaranteeing the security of Panamanians. Panama would periodically verify compliance with this condition.

3. The U.S. Government is to be held responsible for any damage or harm to our country or to our inhabitants as a consequence of the presence of Haitians in Panamanian territory.

Our decision has as its central issue concern for Panama's national interests and a willingness to comply with the altruistic intentions of the international community represented by the United Nations, and in which the United States—a country with which we have very special ties—has taken the leadership to resolve a problem that has to do with all of us—to reestablish democracy in Haiti and respect for the human rights of the Haitian people, a noble effort to which we give our best contribution.

More on Haitians, Canal Reversion

PA1107174694 Madrid EFE in Spanish 1302 GMT 11 Jul 94

[Text] Madrid, 11 Jul (EFE)—Upon arriving in Spain today, Panamanian President-elect Ernesto Perez Balladares said that if he were the head of the executive branch "he would have offered his good offices to receive an unspecified number of Haitians in places designated for such a purpose."

Speaking to EFE at Madrid's Barajas Airport, Perez Balladares said Panama could receive Haitian refugees in specific areas. These refugees would be permitted to stay for a period of time not exceeding six months, would not have freedom of movement, would be subject to health controls, and would be supervised by U.S. or UN forces.

Perez Balladares described as "unfortunate" the position of the current president, Guillermo Endara, who on Friday refused to lend humanitarian assistance to 10,000 Haitian refugees who would come to Panama.

According to Perez Balladares, "Endara has not been courageous enough to confront the popular criticism that occurred because of his poor explanation of the conditions under which these 10,000 refugees would be accepted. The Panamanian people thought that 10,000 more people coming to a country of 2.5 million was a lot of people.

"I would gladly help resolve this problem, which is not just a U.S. or Haitian problem but one for the whole hemisphere, a problem for those of us who want to exist as democracies in the world," the president-elect added.

Regarding the possibility that Luis Roldan, former director general of the Civil Guard who has been accused of several crimes and who is an outlaw, might be in Panama, Perez Balladares said: "Mr. Roldan is not in Panama, according to reporting by Panamanian intelligence services." Perez Balladares did not rule out the possibility, however, that Roldan might have bank accounts in Panama. He added: "Unfortunately, our broad laws on corporations sometimes lend themselves to illegal use." He said this is something he will "remedy as soon as he assumes office on 1 September."

As for the purpose of his visit, Perez Balladares said he is trying to "improve relations between Panama and Spain," particularly on anything dealing with the reversion of the Canal's administration from the United States to Panama on 31 December 1999. "Panama has five crucial years ahead. There will be exceptionally good opportunities for investors, and friendly and foreign governments will be able to establish American distribution and marketing centers for their products in our country," he added.

The president-elect, who on Wednesday will be received by King Juan Carlos and will meet with Prime Minister Felipe Gonzalez, said his country "has always relied on Spain" in its negotiations with the United States regarding the reversion of the Canal's administration to Panama.

"Throughout the negotiations, Spain was a supporter of our friend and well-remembered leader Omar Torrijos, particularly within Europe." He also said: "Both the United States and Panama are very willing to complete a successful transition that will culminate with the return to Panama of the Canal's administration and all its installations."

Perez Balladares said that Spain could participate in the commercial opening of all Canal areas, where there are opportunities for new activities, such as ship repairs and chandlers' services and the establishment of commercial distribution areas.

During his stay in Spain, Perez Balladares also plans to meet with the foreign relations and trade ministers and to hold working meetings with representatives from construction and tourism enterprises, as well as with leaders of the Spanish Confederation of Business Organizations (CEOE).

Vice President Cited on Relations With U.S.

PA1107140094 Panama City Telemetro Television Network in Spanish 1200 GMT 11 Jul 94

[Report by Julia Eleva Alvear from the "Morning Newscast"]

[Text] Regarding the Haitian crisis, the U.S. Government has failed to dissuade the Panamanian Government from its refusal to receive 10,000 refugees in what could be considered a historic precedent for the country, which traditionally has acquiesced to requests from the U.S. Government.

[Begin Vice President Guillermo Ford recording] There should not be any increased tension, if any tension at all, because I believe relations are not with the Endara administration alone. The relations between the United States and Panama have been and should continue to remain excellent, especially in this final phase of the fulfillment of the Torrijos-Carter Treaties and the reverting of all areas of the Panama Canal. I hope, therefore, that relations between Panama and the United States will be maintained at the highest level. [end recording]

U.S. negotiators Sol Linowitz and Michael Kozack, accompanied by Oliver Garza, U.S. charge d'affaires to Panama, spoke again with President Guillermo Endara. Since their arrival at the Palace of Herons, the annoyance of the officials was visible. They abstained from making any statement. In addition to the vice president, Government and Justice Minister Jacobo Salas and acting Deputy Foreign Minister Roberto Aleman also participated in the talks with the U.S. negotiators. Aleman was chosen as President Endara's spokesman to discuss this topic.

[Begin Aleman recording] Today, the Panamanian and U.S. representatives again discussed the Haitian issue, which is very serious from a humanitarian viewpoint. Serious things are happening, as you an see daily on television. The refugees are leaving, and many of them are drowning. [end recording]

The potential arrival of Haitian refugees has engendered serious debates within Panamanian society and caused friction between President Endara and President-elect Ernesto Perez Balladares. Meanwhile, U.S. negotiators Linowitz and Kozack are continuing on their tour of other nations in search of asylum for Haitian refugees.

Envoy Confirms UN Weighing Military Option in Haiti

PA1007143394 Panama City LA PRENSA in Spanish 10 Jul 94 p 5A

[Article by Manuel Alvarez Cedeno]

[Excerpt] UN sources in Panama have confirmed that the UN is weighing a military option to return democracy to Haiti, but, in order to do this, there must be agreement among UN member-states.

Eduardo Nino Moreno, UN representative in Panama City, said the organization "is weighing the military option, but it needs the agreement of the member-countries to do this."

The United States and the UN have applied a series of economic sanctions in an effort to oust General Raoul Cedras and restore democracy in Haiti, but in light of the failure of the blockade, the idea of an invasion has become more appealing, especially to the U.S. Administration.

"If an agreement is reached, several countries will have to contribute to a multinational peacekeeping force, such as the ones in Bosnia and other regions in which, regrettably, such situations prevail," Nino Moreno said. [passage omitted]

Foreign Ministry Issues 'Reminder' on Haiti Trade Ban

PA1207001694 Panama City Telemetro Television Network in Spanish 2304 GMT 11 Jul 94

[From the "Telemetro Reports" newscast]

[Text] The Panamanian Foreign Ministry has sent a letter to the Panamanian Chamber of Commerce, Industries, and Agriculture reiterating that, in accordance with a UN decision, there is an ongoing general embargo on Haiti, therefore commercial relations with that country are banned. The Foreign Ministry reminder added that in spite of the embargo, ships containing general merchandise have been leaving Panama for Haiti.

Chamber of Commerce President [Ricardo J. Duran] has stated that none of the members of his guild have violated this international disposition:

[Begin Duran recording] We sent a note to all members of our guild, the Panamanian Chamber of Commerce, Industries, and Agriculture, so they would be aware of the contents of the Foreign Ministry's letter, avoid infractions, and not lend themselves to violations of dispositions included in this agreement. [end recording]

The Foreign Ministry note added that only medicine and food are excluded from the embargo. According to the Chamber of Commerce president, most commercial transactions between Haiti and Panama occur through the Colon Free Zone.

Immigration Director Criticizes President-Elect

PA0807192294 Panama City TVN Television Network in Spanish 1700 GMT 8 Jul 94

[From the "TVN Midday News" newscast]

[Text] Immigration Director Antonio Dominguez made reference this morning to the 17 Haitians who were turned back yesterday to Panama by Costa Rican authorities.

[Begin recording] [Dominguez] They came in by plane on 22 June, three days before flights were suspended. We had already stopped issuing visas to Haitians. These are part of the group of 150 that I have said are still in Panama of those who entered and then left Panama. They are part of the 150 we have here as special guests.

[Unidentified reporter] Were they authorized to leave to another country, to Costa Rica?

[Dominguez] They did not request an exit permit. They did not request an exit permit; they simply crossed the border. [end recording]

Meanwhile, the immigration director also gave his opinion on President-elect Ernesto Perez Balladares' reaction to the decision by President Endara on the 10,000 Haitians.

[Begin Dominguez recording] The president-elect... [pauses] If he had not done this he would be a failure as a politician. He has to take advantage of the people's feelings. Nevertheless, when he becomes president, when he sits in that chair, he will know what it feels like to be president. He will have to swallow frogs [tragar sapos] and not say one word.

He has already swallowed several bitter pills. The gringos already told him that several of the appointments he made were not acceptable; therefore he had to change them. This is only the beginning.

[Unidentified reporter] He mentioned international ridicule.

[Dominguez] Yes, he did. He can say whatever he wants. But we will see how ridiculous he will be when he takes over the Presidency, and they start giving him orders. We will see if he will have the courage to say no to the gringos. [end recording]

Advisory Council President Supports Endara

PA0907015794 Panama City Circuito RPC Television in Spanish 2300 GMT 8 Jul 94

[From the "RPC Television News" newscast]

[Text] Dr. Guillermo Aleman Zubieta, the president of the National Foreign Relations Council [Consejo Nacional de Relaciones Exteriores], has stated that this advisory council backs President Guillermo Endara's decision not to allow the United States to bring 10,000 Haitian refugees to Panama. He clarified that the president's approval of having Haitians arrive in the country, as well as the subsequent withdrawal of the offer to the United States, occurred so rapidly that the National Foreign Relations Council was not consulted on the issue.

Aleman, who is also a presidential adviser, said he did not believe the Endara administration's change of mind would create any problems in bilateral relations with the United States.

[Begin Aleman recording] I do not think this will cause any friction. To begin with, the friction that is occurring is coming about with an administration that is about to end; it has but a scant six weeks left in power. If the

situation has caused friction, well, this has happened many times with the United States in the past. [end recording]

The official said the United States has to understand that Panama's decision is the right one. He also stated he understood the nation's opposition to the arrival of the 10,000 Haitians.

[Begin Aleman recording] It is as if we would have said: They are going to bring 10,000 people who do not have economic means and will become an economic burden. I can understand. [sentence as heard] [end recording]

Aleman said he did not believe the handling of the situation would damage the country's international image, because the government acted humanely and in compliance with the Canal Treaties. He said he did not agree with the Revolutionary Democratic Party's argument that the U.S. military bases in the Canal Zone could be used to house the Haitians. He compared it to the hypothetical case of discovering oil on those military areas.

[Begin Aleman recording] The oil would have to remain underground until 31 December 1991, when Panama assumes control of those areas. [end recording]

He also said the next government would not be able to use the military bases, if it receives a similar request, because such an action would require a modification of the Canal Treaties, the participation of the National Assembly, and even a possible plebiscite.

Editorial Views Endara's Decision on Haitians

PA0807154994 Panama City LA PRENSA in Spanish 8 Jul 94 p A-1

["As of Today" editorial]

[Text] Most Panamanians gave a sigh of relief over the correct decision of not receiving Haitian refugees. The fact is everyone was concerned over the possible negative consequences of such a large number of refugees, despite all the guarantees of security and repatriation that could be offered.

Public opinion unanimously raised its voice against the establishment of a refugees center, and the president acted correctly by abiding by that expression of the people's will. Of course, there are additional considerations of a different nature, but under a democratic system the most important consideration is the will of the majority.

We also agree with the president's views that the U.S. military bases in Panama cannot be used for refugees. The Canal Treaty provisions, which authorize the Southern Command to conduct rescue and aid relief operations in Latin America, are only applicable in case of disaster and natural catastrophe. Those provisions do not admit, neither in letter nor spirit, such a broad interpretation as some have wished to give them. The only way to legitimize the presence of political refugee camps on the bases is through an amendment or an addition to the treaty, which, as stipulated under Article 310 of the Constitution, would have to be submitted as a referendum. We know, however, the results of such a referendum would be adverse. There is nothing else to say.

Column Views Endara's Decision on Haitian Refugees

PA0807160594 Panama City EL PANAMA AMERICA in Spanish 8 Jul 94 p A-1

[From the "Panama's Pulse" column]

[Text] The United States must be careful to respect the Endara administration's decision not to allow Panamanian territory to be used to grant temporary asylum to Haitian refugees. "Big stick" politics have been permanently relegated to history textbooks, and they are not a chapter in which the United States can take pride. Big stick politics in Panama left bitter and fatal memories that have not been forgotten.

Support. The president of the Republic is Guillermo Endara until the first of September. Foreign policy is in his hands. Everyone has respected his decision on the Haitian issue. It would be a serious error for anyone abroad to be mistaken about this decision. Certain issues may divide us, but this instance is not one of them.

Tragedy. The above does not mean Panama does not view the Haitian peoples' plight with concern and deep sadness. Panama has fulfilled, to the letter, the UN sanctions against the dictator Cedras. The awkwardness and prepotency of U.S. representatives have made it impossible to reach agreements on the refugees issue.

President's Reversal on Haitians Applauded

PA0807182694 Panama City LA ESTRELLA DE PANAMA in Spanish 8 Jul 94 p 4A

[Editorial: "President Endara's Reconsideration;" Vice President-elect Tomas Altamirano Duque is the president-director of LA ESTRELLA DE PANAMA]

[Text] During a surprise appearance yesterday afternoon, President Guillermo Endara announced to the Panamanian people, via a radio and television network, his decision to withdraw the offer he had made to the United States and the United Nations to receive 10,000 Haitians on the national territory. The presidential announcement came three days after the president told citizens that he had authorized the presence of those refugees on San Jose Island in Las Perlas Archipelago. President Endara gave a detailed report of all the events that had occurred since he had expressed his acceptance, under certain conditions, to U.S. President Bill Clinton as well as to UN leaders, of the Haitians' stay in our territory.

The talks bogged down when the president of the Republic felt that the original conditions had changed: the Panamanian Government had demanded that the corresponding agreement be with the United Nations, not with the U.S. Government. Our government representative had correctly demanded the United Nations' absolute assurance that in one year the 10,000 refugees should return to their country or to another place, regardless of what may have occurred on that besieged Caribbean island. The president was adamant when he said that under no conditions would the Haitian refugees stay on military bases along the Panama Canal. In expressing this irreversible position, he maintained that according to the Torrijos-Carter Treaties the Zone cannot be used for other purposes than those indicated in those Treaties. This, Endara said, would set an ill-fated precedent.

Given these conditions, according to what President Endara said, he had no choice but to withdraw the offer, noting that another nation would have to be found to receive the Haitian refugees, with whom he expressed his solidarity. A fact must be pointed out. The president of the Republic had demonstrated his firmness with regard to the promise made. He was aware that the Panamanian people spurned his position. One must acknowledge that despite that atmosphere, he maintained his solidary and humanitarian position with the Haitian people who are fleeing terrified the situation of despair in which they are living, not only faced with a bloody dictatorship but also a strangling economic blockade imposed by the U.S. Government and the United Nations.

Regardless of the important motives the Panamanian president may have had concerning what he deemed changes in the rules of the game, we must acknowledge that he faithfully interpreted the open opposition expressed by the Panamanian people. Every sector in the nation rejected the authorization originally imparted by the president of the Republic, which allowed 10,000 Haitian refugees to be lodged in our national territory.

We understand how difficult it must have been for our president to change his position. The decision he made yesterday clearly convinced us that had the agreement been made, the Panamanian people could rest assured that it would have established all the points to guarantee that the refugees' stay would be controlled and regulated. The president has demonstrated maturity and wisdom. Without undermining his position of solidarity, he has respected our people's concerns.

Likewise, the Panamanian people's serious doubts about this situation, which shook the Republic to its very foundations over the past few days, seems to have been confirmed. The authorities' objection to having the United Nations sign the agreement with the Panamanian Government seems to be an unequivocal indication that the Panamanian people's concerns were justified and totally realistic. There were serious doubts that the agreement would be faithfully fulfilled. Certain considerations, besides his opposition to the United Nations signing the agreement, sum up the president's attitude. Among them, we can cite the obvious differences that emerged between President Endara and President-elect Ernesto Perez Balladares regarding the location where the refugees would be lodged. The fact that San Jose Island is private property in a way affected the private sector. Likewise, adverse opinions were expressed by ranking government officials, among them the directors of the IPAT [Panamanian Tourism Institute] and Inrenare [Institute of Renewable Natural Resources] and certain cabinet ministers.

Opposition spread openly and threatened national peace. In light of this, Panama and the Panamanian people have been saved from a situation that threatened our economic and social stability. Our country could never be the sole custodian of 10,000 Haitian refugees, despite the Christian sentiment the incursion represented. Our solidarity should have been shared by other nations which are also obliged to be humanitarian and sensitive.

We must acknowledge President Endara's bravery, patriotic spirit, maturity, wisdom, and especially his sense of Panamanianhood. History will have to recognize him.

Editorial on 'Inexcusable' Rejection of Refugees

PA0807202994 Panama City EL SIGLO in Spanish 8 Jul 94 p 1

["Forum" editorial]

[Text] In an act of inexcusable and unforgivable forgetfulness, some in our population have been deaf to the voices of gratitude that should remind them of the days during which many Panamanians were forced to leave the country, fleeing the Noriega tyranny. At that time, countries like Canada, Mexico, and the United States generously opened their doors to us, without any questions or discussions, helping many who had to live away from their homeland to survive.

They forget this now when a group of Haitians, also fugitives from a totalitarian and enslaving regime, managed to have important international organizations such as the United Nations open a door of hope for them in Panama. In this case, the United Nations committed itself to keep them in its custody, guaranteeing their well-being and financing their expenses while they remained here for a specific time.

They have also forgotten the case of a great number of Jamaicans who were hired to work in building the Canal. The United States tried to repatriate them, but the owners of wooden houses in El Chorrillo, El Maranon, and Calidonia opposed that measure and committed themselves to cover the repatriation expenses, which they never did. This was the case with many foreign citizens who have not been repatriated either, perhaps because they were white. They were mostly Salvadorans who the Torrijos dictatorship brought to Panama

without a return ticket. And some areas that exist even today were settled for them and with them.

As alternate solutions, the recommendations of the foreign minister-designate to establish the Haitians on one of the military bases still occupied by the United States, without undermining the 1977 Treaties, or on San Jose Island, this suggestion by President Endara, were proposed. San Jose Island is a privately owned island that is not being used now. However, we have rejected this opportunity and missed the train of history, from which a group of Haitians asked us to view their case in the eyes of true democracy and genuine Christian charity, until the short term remaining for the dictatorship of General Cedras expires.

Differences Between Current, Next Governments Viewed

PA0907152794 Panama City LA PRENSA in Spanish 9 Jul 94 p 1

["As of Today" editorial column]

[Text] The differences that have emerged between the current and the next government are worrisome. They are serious differences that even affect how Panama must interpret the Panama Canal Treaties. While the current president believes, and rightfully so, those treaties do not permit the establishment of refugee centers on U.S. military bases in Panama, the president-elect and his spokesmen have said those centers could be installed there, because the treaties allow it.

Based on remarks made by PRD [Democratic Revolutionary Party] spokesmen, the United States has a "carte blanche" to do whatever it pleases on the military bases, with or without Panama's permission. How ironic.

This government, which supporters of the military regime have repeatedly described as a U.S. puppet, is the one defending Panamanian dignity, while those who are supposedly the champions of nationalism are willing to permit any abuse. They are even willing to justify those abuses based on the treaties they had negotiated and imposed against our authentic national interests. Paradoxically, they have accused President Endara of ridiculing himself before the international community, when they themselves, the "champions of nationalism," are the ones who exhibiting the fallacy of their arguments, the inconsistency of their positions, and the frailness of their principles.

PRD members: Neither Panamanians nor foreigners are as stupid as you think they are.

Column Criticizes 'Second-Rate' U.S. Bureaucrats

PA1007140894 Panama City EL PANAMA AMERICA in Spanish 10 Jul 94 p 1A

[Unattributed "Panama's Pulse" column]

[Text] **Clinton** assumed the presidency by taking advantage of visible flaws in the U.S. economy. His experience in foreign policy was very limited, practically nil. Without a doubt, he would have preferred to focus his efforts on the domestic recovery of his nation. However, today's world of deep ideological changes is ripe for small but abrupt and never-ending crises. This is not Mr. Clinton's strong suit.

Advisers. The Democratic Party lived through 12 easy years in "opposition." When appointing his advisers on foreign policy, Clinton faced problems. On several occasions he opened the doors of closed armoires, and out of these doors came old and weak people from the Carter administration. It is not easy to rejuvenate effete figures.

Panama. To the surprise of many, because they view us as people with underdeveloped brains who are incapable of governing ourselves, we carried out an electoral campaign and high-grade elections. The country's image improved noticeably. During the transition period, Mr. Endara and Mr. Perez Balladares exhibited maturity and high goals. We do not want second-rate bureaucrats from the Clinton administration coming here to complicate the consolidation of Panama's democracy.

Granting of Visas to Chinese, Hindus Suspended

PA0807171394 Panama City EL PANAMA AMERICA in Spanish 6 Jul 94 p A-1

[Report by Juan Pritsiolas]

[Text] The government has suspended the granting of visas to Chinese and Hindu immigrants, an official spokesman has announced. The Immigration Department has given the instructions by orders of the executive branch but did not specify until what day the restriction will be held.

It was revealed this week an average of 60 citizens from the People's Republic of China arrive each week as transiting passengers, tourists, or to visit relatives living in our country. It is not known whether the measure is related to the arrival of Asian foreigners, who arrive Thursdays and Sundays on Holland's KLM Airline.

There are 100,000 Chinese living in Panama, one of the largest Chinese communities in Latin America. The restrictions on visas for Chinese and Hindus coincide with the Panamanian Government's decision to allow the arrival of up to 10,000 Haitian refugees.

President Guillermo Endara went to the airport last week and warned against possible bribe-taking in that installation. The sale of visas and identification documents generated earnings into the millions of balboas for the military regime, a situation that prompted an investigation of the immigration authorities of the past regime.

New Government Plans To Restructure Foreign Debt

PA1207030494 Panama City ACAN in Spanish 1659 GMT 9 Jul 94

[Text] Panama City, 9 Jul (ACAN-EFE)—The Panamanian Government that will assume office on 1 September wants to "restructure" debt agreements with international credit organizations, Guillermo Chapman, the minister who will be in charge of the economy, has told ACAN-EFE.

In a couple of months the financial institutions will receive the economic plan being drafted in Panama, and the new government will offer "all its cooperation." But "we are not interested," Chapman stressed, "in implementing any of their initiatives."

Panama's foreign debt is approximately $6 billion, which the current administration of populist Guillermo Endara has brought up to date through agreements with the credit organizations. The Endara government, however, failed to comply with the required disciplinary labor and fiscal measures.

Chapman said that "there are no magic formulas" for solving the country's financial problems and he emphasized that the next government's main concern will be social problems.

The next planning and economic policy minister is a prestigious independent economist whom President-elect Ernesto Perez Balladares invited to join his government team.

Chapman said that initial contacts with the financial institutions have been "positive" and he added that the new government has heard that these institutions would rather deal with governments that know what they want.

"The new government wants to restructure the agreements (with the credit organizations) and begin a new program, but one that conforms to the Panamanian Government plan," he stated.

In his statement to ACAN-EFE, Chapman also expressed the new government's interest in expanding economic relations with Europe, particularly with Spain, a country Perez Balladares will officially visit next week.

"This will in no way change bilateral relations with the United States," he maintained, "relations that will be very important in the next five-year period" but there is hope that Panama's foreign policy "will have a greater scope than it currently has."

The future minister highlighted the "economic and political interest" of the visit by the president-elect, who will be accompanied by Chapman and five other ministers.

A busy agenda has been set for Madrid. He will meet with everyone from Prime Minister Felipe Gonzalez and ministers to opposition leaders, businessmen, and bankers.

At midweek the delegation will visit Italy for a day to meet with Prime Minister Silvio Berlusconi.

Chapman said the Panamanian delegation wants to explain investment possibilities to Spanish businessmen. He emphasized the opportunities Panama offers with its international financial center, the Canal, and the nearby areas that the United States has begun to revert to Panama in compliance with the 1977 treaties.

The process will end in 1999 when Panama will run the Canal completely. The United States built the Canal in 1914.

Chapman noted that the "reverted areas" could be worth approximately $6 billion, and much more once they have been developed.

He estimated that obtaining a mere profit of 10 percent of their value, the government would be replacing the revenue—approximately $400 million per year—it gets from the presence of some 10,000 U.S. soldiers.

Panama must "efficiently and quickly" use the Canal area property that Washington will transfer to it in the next five years. Chapman maintained that this is "a challenge and a concern" for his government.

In the visit to Spain, he added, contacts will be made with some "large international enterprises" to increase commerce, which is now low. Projects in areas such as infrastructure and tourism will also be studied.

Last year Spanish exports to Panama reached $22 million (almost double the Panamanian international free zone) and the import figure was $7.4 million.

Chapman believes that tourism is not well exploited in his country and that it will be one of the sources for economic development in the future.

He emphasized, however, that the private sector will promote such development because state investments will be "very selective" due to the current "fiscal austerity," the lack of attention given to social problems, and the need for infrastructure in the country.

In Spain, he concluded, certain topics will be "unavoidable." One such issue is banana exports to Europe, which were affected by the restrictions that were applied last year.

President-Elect To Head Delegation to Spain, Italy

PA0807171594 Panama City ACAN in Spanish 1203 GMT 7 Jul 94

[Text] Panama City, 7 Jul (ACAN-EFE)—The new Panamanian Government that will assume office in September wants to increase its political and economic relations with Spain and the European Union. According to collaborators of President-elect Ernesto Perez Balladares, this is the objective of Perez Balladares' visit to Madrid next week.

Gabriel Lewis Galindo, the foreign minister-designate, has told ACAN-EFE an initial assessment will be made in this trip, which will include a stopover in Italy, with authorities and individuals from the private sector on "areas of common interest."

In general, he has said, "we are seeking a more direct relation with Europe."

Perez Balladares will arrive in Madrid on 11 July and he will stay there until 16 July. He plans to meet with Spanish Prime Minister Felipe Gonzalez, several ministers, the leader of the conservative opposition, Jose Maria Aznar, and leaders of the business and tourist sectors.

He will travel to Italy at midweek, on 14 July, to meet with Prime Minister Silvio Berlusconi and one of his ministers and will return to Spain that same evening.

Regarding the various international tours by Perez Balladares since he won the May elections, Lewis Galindo has said the new government wants the country to recover the international position it once had.

"This visit is very important due to the interest Spain has in the Latin American nations and the concern that it shows for them," he added.

According to Lewis Galindo, the main topics on the president- elect's agenda include looking into possible Spanish investments in Panama, bilateral cooperation, and specific matters such as assistance for infrastructure projects and tourist development plans.

In addition, he has said, "we want to send through Madrid a message to Europe about the possibilities and projects Panama offers as an international center for business and trade. We also want to send the message we want to help in the struggle against drugs."

The new Panamanian Government also hopes "Spain's goodwill will help in getting the European Community to turn its eyes toward Panama," he added.

The future foreign minister recalled Panama will begin operating the canal between the Atlantic and Pacific Oceans, which is currently controlled by the United States, in 1999 and will receive neighboring land and installations that offer great investment and business opportunities.

"The canal users," he has said, "must learn about the seriousness with which Panama will run it."

In Italy, he has said, Panama's official delegation will study Italian firms' participation in Panamanian development projects.

In addition to his foreign minister, the president-elect of Panama, a country of 2 million inhabitants which separated from Colombia in 1903, will be accompanied by Guillermo Chapman, planning and economic policy minister, and Presidency Minister Raul Arango.

The entourage will also include advisers, businessmen, and former Panamanian President Aristides Royo, who resided in Spain for several years.

The president-elect, a 48-year-old social democrat and a businessman, won the 8 May elections with 33 percent of the votes, leading the Democratic Revolutionary Party (PRD), and will succeed the populist Guillermo Endara on 1 September.

The May elections were the first held in Panama since the 1989 U.S. invasion, which overthrew General Manuel Antonio Noriega, who ruled the country with the PRD. Endara won the elections in 1989 and received power that same year.

Argentina

Economy Official Asks U.S. To Lift Trade Barriers

PY1207033894 Madrid EFE in Spanish 2011 GMT 8 Jul 94

[Text] Washington, 8 Jul (EFE)—This week, Argentine Economy Vice Minister Carlos Sanchez raised before U.S. trade officials the need to remove the trade barriers that continue to jeopardize Argentine exports to the United States.

In a news conference held here after his week-long visit to Washington, Sanchez stated that progress has been made in his talks with officials of the Office of the U.S. Trade Representative, but noted that there are still many pending issues that will be addressed in the future during these negotiations.

Sanchez said: "Those problems requiring greater attention are the ones that are jeopardizing part of the Argentine exports to the United States. These problems require frequent negotiations."

Sanchez noted that it is very important for Argentina to obtain the removal of stumbling blocks that undermine the export of specific products such as vegetable oil, lemon juice, leather items, peanut butter, tobacco, steel, and sugar.

Sanchez noted that Argentine exports of manufactured products, which are no longer subjected to these restrictions, to the U.S. market "have markedly increased" in recent times.

Along with Brazil, the United States is one of Argentina's main trade partners. In 1993, Argentine-U.S. trade yielded a $2.6 billion surplus to Washington, some $600 million more than that of 1992. According to official U.S. figures, Argentine exports to the United States totaled $1.2 billion in 1993, that is, 4 percent less than in 1992.

Commenting on the Argentine-U.S. dispute over the patent law, Sanchez emphasized the fact that Washington has not included Argentina among those countries that could become the target of trade sanctions.

Sanchez praised the U.S. "understanding" in this regard and noted that, although the Argentine Government's policy is not dictated by foreign pressure, "very soon," Argentina will have a law protecting intellectual rights including medicines, just as the United States has requested.

Although noting that the free trade issue was not a topic of discussion in his talks, Sanchez stated that ways to achieve the ultimate objective of setting up a free trade system in the entire continent will have to be discussed at the summit of the Americas to be held in December in Miami.

During his visit to Washington, Sanchez also met with representatives of multilateral lending organizations, including IMF Managing Director Michel Camdessus, to discuss the current Argentine economic situation.

Sanchez reported that he discussed with officials of the World Bank and the Inter-American Development Bank (IDB) financing projects that are currently under study, including one on development of capital markets and other projects designed to promote medium- and small-sized enterprises and to promote exports.

Regarding the Federal March staged against the government's socioeconomic policy, which gathered approximately 50,000 people in Buenos Aires on 6 July, Sanchez said the subject was not raised either in his talks with U.S. officials or with officials of multilateral lending organizations. In the news conference, which was held at the Argentine Embassy, Sanchez said: "No one paid any attention to it; no one asked me anything about it."

Sanchez defended the socioeconomic policy of the Menem government, a policy that he said has already succeeded in "substantially reducing" poverty in Argentina.

Country, France Align To Demand UNAMIR Deployment

PY1207004394 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1715 GMT 11 Jul 94

[Text] United Nations, 11 Jul (EFE)—Today, Argentine Foreign Minister Guido Di Tella today the French's criticism of the slowness with which the international community has acted vis-a-vis the massacres in Rwanda. Di Tella, as well as French Prime Minister Edouard Balladur, demanded that the UN Security Council promptly deploy the UN peacekeeping force in Rwanda (UNAMIR).

The Argentine foreign minister recalled that the Security Council had authorized the French-Senegalese intervention "as an action of a strictly humanitarian nature." He went on to say that "Argentina fully sympathizes with the reasons that prompted France to resolutely try to palliate the suffering of the Rwandan people."

He pointed out that the situation of this small African country "is one of the most serious cases the Security Council has had to face since the end of the Cold War," adding that "urgent and exceptional measures should have been adopted in view of the atrocities committed there."

"The tragic situation in Rwanda demands that no pains be spared to expedite, as much as possible, the deployment of the UNAMIR without any further delay so as to enable it to fully carry out the task that has been opportunely entrusted upon it with the double consent of the international community and the feuding parties," he said.

At the same time, Di Tella endorsed Resolution 935, by virtue of which "an experts committee is to be established to investigate the atrocities committed in

Rwanda, which constitute grave violations of humane international law, and may lead to a genocide."

The Argentine foreign minister stressed that this is only the first step to finally determine responsibilities. He pledged his country's cooperation to complete the process under way as soon as possible.

Di Tella said "this is a commitment because the international community must react to the atrocities suffered by the Rwandan people and do its utmost so these atrocities are punished."

He emphasized that this experience shows "the need to strengthen the mechanisms of the collective security system to prevent, in the future, the obvious operational difficulties that have so far delayed UNAMIR's deployment."

Di Tella further stated that Argentina is fully committed to this collective security system and that "to the extent possible, it is actively participating in eight peacekeeping forces and cooperating—with a corvette—in the monitoring of the sanctions the Security Council imposed on Haiti."

Menem News Conference on March, Regional Economies

PY1207014294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1802 GMT 9 Jul 94

[Excerpt] San Miguel de Tucuman, 9 Jul (NA)—President Carlos Menem today stressed that some of the groups that organized the Federal March "want to revive the years of fratricidal struggles." He called attention to the fact that, while belligerent trade union leaders Victor de Gennaro and Carlos "Perro" Santillan were calling a general strike, "a high-tension power pylon was damaged by sheer chance."

Menem confirmed that the political and economic course is "nonnegotiable." He announced that next week he would disclose a final proposal on the professionalization of the Armed Forces.

Menem emphasized that his administration is working toward "breathing new life into the regional economies." He noted that following the resignations tendered by members of Tucuman Governor Ramon "Palito" Ortega's cabinet, the Tucuman Peronism crisis "must be resolved by the Justicialist Party members through internal elections."

Menem made these remarks during a news conference at the Benjamin Matienzo International Airport, after chairing the ceremonies to mark the 178th anniversary of Argentine independence in this city.

The president again strongly lashed out at the Federal March sponsors who called a general strike for 2 August, emphasizing that "they want to relive the past." He called attention to the fact that while Mr. (Carlos) Santillan and (Victor) De Gennaro were calling for a general strike and the waging of struggle, a high-tension power pylon was damaged at that moment in southern Buenos Aires Province and in La Pampa Province.

Menem said: "The University of Buenos Aires rector (Oscar Shuberoff) supports the occupation of the universities (announced by the Argentine University Federation). Therefore, they want to revive the years of fratricidal struggles." [passage omitted]

Brazil

President Menem's Remarks Termed 'Serious'

PY1107191094 Sao Paulo AGENCIA ESTADO in Portuguese 1437 GMT 11 Jul 94

[Report by Tania Monteiro]

[Text] Brasilia, 11 Jul (AE)—President Itamar Franco has ordered Brazilian Ambassador to Argentina Marcos Azambuja to ask Argentine President Carlos Menem for an audience to address the recent episode on the minimum salary. The decision was made during a meeting at Planalto Palace, which was also attended by Foreign Minister Celso Amorim, who said the incident is "serious."

Amorim said the president clearly expressed his annoyance over remarks that the Brazilian minimum salary is a much stronger reason for a popular revolt than the reasons for the recent demonstrations against the Cavallo Plan in Argentina. The minister did not want to refer to the cancellation of Franco's participation in a Mercosur [Common Market of the South] meeting. Nothing has been yet said on the consequences of the episode, he said. The president is sure Menem will receive the Brazilian ambassador, Amorim said.

Coffee-Producing States Want Acceptable Price Level

PY1107131494 Sao Paulo AGENCIA ESTADO in Portuguese 2039 GMT 8 Jul 94

[Report by Vladimir Goitia]

[Text] Sao Paulo, 8 Jul (AE)—In Brasilia, the Association of Coffee Producing Countries (APPC) has decided it will not allow an uncontrolled rise in coffee prices like what happened in the past few months. The APPC wants to maintain coffee production and stocks at levels that will allow coffee prices to remain at acceptable levels for consumers and producers. This was reported today by Rubens Barbosa, the APPC chairman and Brazilian ambassador to London. He said: "If we allow this to happen, there will be a drop in demand, like in 1975 when the United States reduced its consumption."

Barbosa believes high coffee prices imply increased production and later a glut. The result is a drop in prices. He said: "We want to avoid this cycle, which begins with high prices that encourages producers and which ends with overproduction and a drop in prices." This is why

the APPC has formed a committee with two groups that will study a new policy of production and promotion to stimulate coffee consumption in the world.

He said: "The APPC is working with another scenario related with the price increases registered in the past few months during which prices jumped from $0.40 per pound to $2.00." Barbosa told AGENCIA ESTADO that coffee producing country representatives will meet in London in September to reevaluate the situation of coffee producers and market perspectives.

To prevent price hikes, the APPC wants Brazilian coffee stocks to be sold until May 1995 (500,000 sacks per month) to compensate for the low coffee harvest expected for next season on account of the frost. It is estimated at 5 million sacks. Barbosa said the volume of Brazilian Government coffee stocks is not known. The ambassador said: "We cannot sell the entire government stock because we do not know its total volume."

Early in August, the Brazilian Government will hire the Swiss company SGS [Societe Generale de Surveillance], which last 4 July won a contract to carry out a quantitative and quality survey of the 17.5 million coffee sacks the Industry and Commerce Ministry says it has. SGS will have 120 days to classify and calculate the Brazilian coffee volume.

To define the new coffee producing policy, the APPC asked each member country to send reports on production costs, tax policies, and incentives for coffee production. Barbosa said: "We want to standardize this information to establish a production policy that will not cause so many price variations."

Ministry Wants Telebras in Satellite Consortium

PY0807165194 Sao Paulo GAZETA MERCANTIL in Portuguese 6 Jul 94 p 1

[Article by Heloisa Magalhaes]

[Text] The Communications Ministry is negotiating with private groups the participation of Telebras [Brazilian Telecommunications, Inc.] in enterprises that are being created in Brazil to launch and operate satellites.

This new attitude, to a considerable extent, follows the demand by foreign countries for satellite orbits covering Brazilian territory. A total of 51 satellites will be launched before 2000, covering part or the entire Brazilian territory.

Communications Minister Djalma de Moraes said he knows he will have to confront leftist parties that advocate state exclusivity in the sector. He said, however, that with the meager budgets being assigned to Telebras—the estimated budget for 1994 is $3 billion, which he expects to rise to $4 billion—and the rapidly growing foreign interest in the sector, the only alternative is to consider the possibility of partnerships.

One such partnership, which is already being negotiated, is with Class, the Latin American Satellite Communications Systems, an enterprise that was recently created by the Bradesco [Brazilian Discount Bank], Globopar, Monteiro Aranha, Odebrecht, and Matra Marconi Space groups. Class plans to invest $300 million in three satellites. The International Telecommunications Union—an international organ that monitors requests by countries—may approve the orbits within three months.

Class director Joao Santelli Jr., who is also a Victori partner, has not ruled out the possibility of having Telebras within the consortium. He said, however, that the idea is "to maintain the private nature of the undertaking."

The participation of Telebras may become a major factor and may help Class to implement its project in light of the claim that without the participation of the government, the proposal will harm the state telecommunications monopoly. The government also wants to negotiate with Argentina's Nahuelsat consortium and with the Localsat project group (Banco Itamarati, Splice Telecommunications and Germany's DASA).

Results of Privatization Program Viewed

PY1107172994 Sao Paulo AGENCIA ESTADO in Portuguese 0117 GMT 9 Jul 94

[Article by Carlos Franco]

[Text] Although the sale of federal government minority stocks has yielded more than $300 million for the Social Emergency Fund (FSE) this year, the National Privatization Program (PND) has experienced repeated failures. Attempts to auction stocks of the state-owned Mineracao Caraiba, Cobra Computadores, and Lloyd Brasileiro companies have failed twice, and the latter two companies may now be excluded from the privatization program. In the case of Cobra, it could be excluded by decision of its controller, the Bank of Brazil, which took upon itself the task of privatizing the company. In the case of Lloyd, its exclusion would occur by decision of Congress—and against the wishes of the government.

Andre Franco Montoro Filho, chairman of the PND Committee, and Elena Landau, director for privatization of the National Bank for Economic and Social Development (BNDES), which is charged with managing the PND, believe, however, that privatizations will be instrumental in reducing public domestic and foreign debt by $5 billion in addition to raising cash proceeds based on percentages to be established by President Itamar Franco.

Montoro Filho's confidence stems from the government decision to a create a new fund: the Public Debt Amortization Fund, which is directly linked to privatizations. This fact, he says, further reinforces the significance of the PND. The FSE is dependent on resources obtained

through the sales of minority stocks owned by state-owned companies in other companies, seeking to raising $900 million in deposits by 1995.

Montoro Filho believes the sale of Embraer [Brazilian Aeronautics Company] at the Rio de Janeiro Stock Exchange on 4 August will be a turning point for the PND. He is not afraid of the political debate the Embraer sale could generate, thus further polarizing the presidential race. He added that more information will be available on this subject in August, when the privatization of Light and Escelsa, the power companies of the states of Rio de Janeiro and Espirito Santo, will be held. He believes the sale of these two companies alone will account for 80 percent of the $5 billion expected to raise this year. The privatization of the Camacari petrochemical center and of the Alagoas chloro-chemical company will also start this year; their first auctions are scheduled for August.

Gustavo Franco, head of the Central Bank (BC) external area department, stated that the PND is virtually the fourth stage of the Real Plan, which depends on the sale of these companies to enable the government to invest more resources in public and social infrastructural facilities. Franco said that even more important than keeping the current timetable is the need to continue this program, which is incumbent on the next president of the Republic.

The BNDES is also betting on the sale of minority stocks of the Brazilian Petroleum Corporation, the Brazilian Electric Power Company, Inc., the Brazilian Telecommunications Inc., and the Rio Doce Valley Co. deposited in the National Privatization Fund (FND), which will go to the FSE. Most of these stocks will be sold in over-the-counter deals. There is no timetable yet for these operations and the BNDES is still examining papers and verifying ways to end government participation in closed companies. BNDES experts have said the idea of over-the-counter deals seeks to guarantee the participation of states that have no stock exchange, but where investors could be interested in companies that are not well known on the financial market. Andima (National Association of Open Market Institutions) will advise the BNDES in these sales.

Privatizations conducted under the Collor government yielded $3.54 billion, of which only $3.6 million was in cash. This year alone, the Franco government has already raised $200 million in cash. Sales during the Franco government have already totaled $3.46 million [as received], and revenues in currencies totaling $500 million. Landau says this shows the great concern of Franco's economic team in promoting fiscal adjustment. The most frequent method of payment for state-owned companies has been securities, among them Agrarian Debt Bond, Deposit Facility Agreement, and National Development Fund Notes, among others.

Chile

Unusual Resignation of Presidential Officials Noted

PY1207020594 Santiago LA TERCERA DE LA HORA in Spanish 25 Jun 94 p 7

[Article by Raul Rojas]

[Excerpt] The government has confirmed the resignations of Ricardo Isla, presidential administrative and finance director, and Mariano Lacalle, La Moneda administrative director.

This information, which was labeled as an "earthquake registering 10," was disclosed exclusively by LA TERCERA yesterday. This event caused commotion and was widely reported by several radio stations and other media. When Interior Minister German Correa was asked about it, he only said: "The National Emergency Office did not report any earthquake registering 10." This is how he avoided talking about the real reason for the resignations.

Yesterday, after urgent meetings in Government House during which the news published by our daily was discussed, Rodrigo Moraga, head of the Presidential Coordination Directorate, delivered the following communique: "Regarding the news reported by some media on the administrative changes in the presidency, this directorate finds it necessary to explain the following: his excellency, the president of the Republic feels that to improve the operation of his offices and make more rational use of the administration, it has been decided that the resignation of Administrative Director Mariano Lacalle Penafiel will be accepted, and that a new director will be appointed.

"This reorganization includes the instructions given by his excellency the president of the Republic to Ricardo Isla Marco to take over exclusively issues related to the presidential cabinet."

Even though the communique did not give the names of the new directors, well-informed sources told LA TERCERA that the new administrative director will be Oscar Pizarro, former president of the Chilean Radio Broadcasting Association and current adviser to the Government Ministry General Secretariat. Rodrigo Moraga will be the new finance director, replacing Ricardo Isla.

Even though the ambiguous communique tried to play down this event, the truth is that the resignations were a real administrative crisis which is unusual in the presidency.

It has been reported that the crisis began from the time the new administration was inaugurated due to the personal and administrative problems of the two officials.

The informers were very careful in assuring that this was a different situation. They also explained that no one should think there was any corruption or anything similar. [passage omitted]

Frei on First 3 Months in Office

BR1207094794 Paris LE FIGARO in French 11 Jul 94 p 6

[Interview with President Eduardo Frei by Irene Jarry in Santiago; date not given: "The Army Respects The Constitution"]

[Text] [Jarry] Has Chile become a true democracy?

[Frei] Today, Chile is a consolidated democracy at every level. Its democratic institutions are working. Both parliament and the legal system are autonomous, and there is full freedom of expression and association.

[Jarry] You have announced your intention to remove any trace of the authoritarianism inherited from the military regime from the Constitution. Which points are going to change?

[Frei] President Aylwin already modified the electoral system, primarily by introducing legislative elections. In order to strengthen our democracy, we want to abolish the eight senators' posts designated by General Pinochet and make some adjustments to the local electoral system. These two plans will be put before parliament very soon. We would also like to abolish the permanence of the commanders-in-chief of the three armed forces. This particular debate, however, is one that we must postpone because we lack the necessary majority in parliament.

[Jarry] Does the presence of Gen. Pinochet at the head of the Army not constitute an obstacle to the full democratization of Chile?

[Frei] Not at all, because the Armed Forces respect the Constitution, the law, and the legitimately elected political authority. Meanwhile, the government, for its part, respects the professional role of the Armed Forces. The relations between the government and the Army are perfectly normal.

[Jarry] Gen. Pinochet's mandate will run out in 1997. Are you going to ask him to speed up his departure?

[Frei] We have set out our line of action. We do not wish to adopt a personal position, but rather one that is based on principles. We shall therefore respect the constitution and the law while at the same time hoping that in 1997 the president will regain the power to appoint the commanders of the Armed Forces.

[Jarry] In April, you called for the resignation of Gen. Stange, the police chief and a former member of the military junta accused of having covered up the crimes committed by his subordinates during the period of dictatorship. And yet, Gen. Stange is still in office. How do you feel in the light of this failure?

[Frei] I do not have the authority to appoint a new chief of police. At present, Gen. Stange is heading a special mission aimed at modernizing the police force. This mission will come to an end on 17 July. By then, I think we will find a legal solution.

[Jarry] Will the crimes committed under the dictatorship ever be brought to justice, or is the amnesty act the price to pay for democracy?

[Frei] The amnesty act covers a period stretching from 1973 to 1978. At present, there is a series of judgements in the pipeline concerning infringements of human rights since 1978. The legal system is independent and works on the basis of the information with which it is provided by the Committee on Truth and Reconciliation, set up under the presidency of Patricio Aylwin.

[Jarry] Recently, Chile purchased arms from Switzerland. Gen. Pinochet has just been to Czechoslovakia to choose, in his own words, "the most suitable equipment for Chile." What will this arsenal be used for?

[Frei] Chile is a peaceful nation. We have no expansionist intentions whatsoever. Our definition of the role of the Armed Forces is to defend the territory. It is the minister of defense who decides which equipment to purchase to serve the country's requirements, merely for purposes of self-defense, like any other country in the world.

[Jarry] At the economic level, Chile is performing admirably. Nonetheless, 30 percent of the population remains excluded from this development. What do you intend to do in order to break down this poverty?

[Frei] Over the last 10 years, Chile has experienced major growth and brought inflation under control. Today, the fight against poverty is our prime objective. That is why we have compiled a program called "economic development, justice, and equity." If we are to put an end to poverty, we must create jobs. Everyone is involved: the State, the private sector, the Church, and the workers themselves.

[Jarry] The Central Workers' Organization [CUT] has just called strikes in protest at the government's slowness in facing up to the problems of employment and wages. What is your response to this?

[Frei] I do not believe the CUT is really talking about employment. The level of unemployment in Chile is only 5.2 percent, a good figure compared with those in Europe. On the other hand, it is clear that in just three months a government cannot solve difficulties that have existed for many years. We must be allowed some time. We have a very full program which has already started to take material form. The CUT is demanding that we act more quickly. That is not possible.

[Jarry] France still only accounts for a modest amount of investments in Chile. In which sectors do French companies have the greatest chances of gaining a foothold?

[Frei] First of all, in the infrastructure sector. Chile is going to invest in what we call the "people's domain," i.e., education, health, living conditions, quality of life. The private sector, however, must take care of infrastructure. French assistance would also be extremely important in the areas of science and technology.

[Jarry] You have just signed up to the APEC (Asian-Pacific Agreement). What are your arguments for joining NAFTA, the free trade zone linking Mexico to the United States and Canada, and Mercosur [Common Market of the South], the Argentine-Brazilian-Uruguayan common market?

[Frei] Chile, which exports nearly 35 percent of its production, must have an economy that is open to the entire world. We were greatly in favor of GATT, and we are interested in concluding any bilateral or multilateral agreements. Our presence within the APEC is fundamental because our trade with Asia and the Pacific represents nearly one-third of our foreign trade. Obviously, we are extremely interested by NAFTA, and I touched on this topic during the talks I had with President Clinton when I visited the United States on 27 and 28 June. The United States recognizes that Chile has a dynamic economy which is complementary to its own. Finally, the Mercosur is attractive to us because Latin American integration is vital for the entire continent.

[Jarry] At the recent Ibero-American summit, you met with Fidel Castro. Do you think he seems ready to commit himself to following the path of democracy?

[Frei] Chile respects the free determination of peoples. We belong to the Latin American community with which we share the values of democracy and respect for human rights. If Cuba wants to rejoin this community, then it will have to respect the same values.

[Jarry] What role did your father, President Eduardo Frei Montalva, play in Chilean history?

[Frei] I am very proud of my father. He was a man who fought for more than 50 years in the political arena. He founded a party. He was not only a great political leader, but also a statesman, and he made a very popular president. For me personally, it is extremely important that I am able to continue to fight for the values which he always defended.

[Jarry] Was it not his politics which opened up the way for Chile's "dark years?" The socialist experiment of Salvador Allende being interrupted by the putsch and the dictatorship of General Pinochet?

[Frei] My father handed over power to a president who had been democratically elected by the people. That is all there is to say.

Colombia

DAS Director on 'Cooperation' Problem With U.S.

PA1107205194 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 11 Jul 94

[Interview with Administrative Department of Security Director Fernando Britto by Ricardo Canon; place and date not given; from the "Midday Television Newscast"—recorded]

[Text] Administrative Department of Security [DAS] Director Fernando Britto has categorically stated that Colombia will continue to fight drug trafficking.

[Canon] How do those conditions adversely affect Colombia's policy economically?

[Britto] There is an issue that....[pauses] We have some cooperation and support problems with the United States and, in our case, and with other institutions, we even have economic problems in areas such as instruction, training, and enhancement in many of the tasks we carry out, such as in the judicial police.

If a decision is made, like the U.S. Congress' decision to suspend or reassess all support, one of those programs could be delayed. I do not believe, however, that they would be stopped completely under any circumstances. We are working with our own budget, Colombia's budget, and we hope to continue this struggle.

[Canon] Did the U.S. suspend support because of the surrender policy?

[Britto] I would say that the surrender policy has in some way had a negative effect. I think various Colombian institutions have concluded that it is necessary to reinforce and strengthen this policy. We must toughen up some regulations that classify some crimes. Right now we do not have a law on money laundering. In my opinion, we must promptly enact a clear law to face this crime.

Moroccan Officials Cited on Moves To Expand Trade

PA1107161994 Santa Fe de Bogota EL TIEMPO in Spanish 5 Jul 94 p 11A

[All quotation marks as published]

[Text] The Kingdom on Morocco is extending its commercial ties as wide as a muezzin's cry. Strategically located in Africa's northwestern corner, the nation is caressed by the Mediterranean Sea to the north and the Atlantic Ocean to the west. With an inflation rate of only 4.9 percent, its projected growth for this year is 11 percent. With a constitutional monarchy headed by King Hassan II, this African nation is moving closer to South America.

For this reason, Charge d'Affaires Maati Jorio, accompanied by his country's ambassador, director general for Europe and America, and foreign cooperation minister, arrived in Colombia recently.

Jorio, along with Moroccan Ambassador to Colombia Mohamed Ayachi, explained the goals of Morocco's current trade policy. "We are seeking to improve the level of our country's relations with Colombia. The current situation does not reflect this wish as far as economic, commercial, cultural, and scientific and technological cooperation are concerned," Jorio stated. He quickly began discussing the field of economics,

explaining how trade between the two countries has declined, something that has drawn his government's attention.

"Commercial exchange was fairly strong in 1988. We bought $30 million worth of Colombian products, mostly fuel and sugar. Commerce began to drop, however. In 1992, it declined to just $5 million in agricultural products, such as cotton, tobacco, and coffee," he added.

[EL TIEMPO] To what do you attribute this drop?

[Jorio] The lack of Colombian access to Moroccan products. It was not until last year that we were able to sell $1 million in canned fish, clothing, and phosphate products.

[EL TIEMPO] What Moroccan products do you want to see enter into Colombia's market?

[Jorio] Our country is the world's top exporter of phosphate, an element required to make fertilizer, as well as other products for agriculture.

[Ayachi] I must point out, however, that "small" countries like Morocco and Colombia are experiencing a very difficult situation.

"It has become necessary to stress the similarities between the two countries. Our geographic situation is very problematic because we are in the South, facing the developed countries of the North. This is a perfect time, however. We currently have no dispute or economic problems.

"Morocco is at the gate of Europe and Africa. Colombia is at the gate of Central and North America.... We are ideal platforms for the expansion of trade.

[EL TIEMPO] We have information on Morocco's internal situation regarding European concerns over human rights, which is similar to the situation in Colombia. How have these domestic problems been treated?

[Ayachi] I think just the opposite is happening. Since 1987, and with the international geopolitical conditions being what they are, we have been noticing everywhere a rise in fundamentalism, a fundamentalism of a political and religious nature, intolerance, and political conflicts. This has been happening everywhere, except in Morocco.

The phenomenon of fundamentalism—Islamic fundamentalism, which is accompanied by fear in the international community—is developing in a number of countries, but in Morocco such intolerance and fanatism do not exist.

[EL TIEMPO] What specific proposals did Morocco made at the last GATT meeting?

[Jorio] King Hassan II presented two specific proposals for development. The first calls for the implementation of a "Marshall Plan" for Africa. The second is that the world economic powers create an intergovernmental council to give Third World countries a voice and to prevent them from being left at the mercy of others.

[Ayachi] The Nonaligned Movement accepted these proposals, and they are now under review in advance of being implemented.

Company To Ship Toxic Waste Back to Croatia

PA0907044894 Santa Fe de Bogota EL TIEMPO in Spanish 6 Jul 94 p 9A

[Text] Santa Marta—Yesterday, the Tradenet Co. of Colombia decided that 142 of the 575 drums of toxic waste currently in the Santa Maria Free Zone will be removed within six days. Tradenet Manager Jorge Castellanos accepted a 30 June Environment and Health Ministries resolution that rejected an appeal [recurso de reposicion] after it was confirmed that the concentration of cadmium (a bluish metal used in alloys and that smelts at more than 300 degrees centigrade) surpasses legally permitted levels.

Tradenet instructed the Intercontainer firm, which operates in the free zone, to start the necessary procedures to ship back the toxic waste to its place of origin, Croatia. The 32 tons of cargo that will leave the country comprise 30 percent of two containers whose main component was cadmium.

Castellanos pointed out that the ministries confirmed that 70 percent of the cargo is nontoxic and it contains only remnants of decomposed tablets and paraformaldehyde, and therefore, he will file an appeal to show that there was no irregularity.

Tradenet has asked free zone authorities to coordinate efforts with the shipping agency Maritime Co. (Comar) to send the toxic waste to Cartagena and reexport it from there to the port of Rijeka, Croatia, which was its point of origin.

Defense Minister Pardo Views 'Narcocassettes'

PA1207024594 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 12 Jul 94

[From the "Seven O'Clock Newscast"]

[Text] For the first time, Defense Minister Rafael Pardo has commented on certain media reports, stating he delivered the narcocassettes to the Pastrana campaign. Pardo said he does not know the intention of those who seek to link him to this issue:

[Begin recording] [Pardo] I received that cassette during a meeting with the president and Dr. Pastrana on 16 June. I forwarded it to the military commanders early the next day to allow them to, in turn, forward it to the Prosecutor General's Office; this was done immediately.

Before that meeting, I knew nothing about the content or existence of such recordings; thus, any report to the contrary is absolutely false.

[Unidentified reporter] Do you know who is disseminating reports suggesting the defense minister delivered this cassette?

[Pardo] No, I have no idea, but I believe these are very ill-intended reports from people who have tried to create an incorrect impression that I, as minister, have used the ministry to inappropriately pass information; this is absolutely false. I have never done such a thing, and I did not do it in this case. [end recording]

Key Players Said Not Guilty of Crimes

PA1207022194 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 12 Jul 94

[From the "Seven O'Clock Newscast"]

[Text] The initial assessment made by the Prosecutor General's Office concerning the narcocassettes, an assessment which would reportedly mark the end of the investigation, indicates the key players of the famous conversations committed no crimes. Journalist Alberto Giraldo, who testified before the prosecutor, has admitted he is a friend of and has had contacts with the Cali Cartel chiefs, and this is not an established crime.

The charges leveled against the participants of the political campaign for allegedly accepting drug trafficking money were disqualified after Giraldo himself admitted, under oath, the two campaigns rejected mafia funds.

The origin of the tapes, which has been the source of much speculation, has undermined their value as judicial evidence because they failed to produce any valuable information against those mentioned, and the recording is illegal.

Moreover, Prosecutor General's Office investigators have said the evidence on the initiating and editing of the conversations has rendered the narcocassettes useless as evidence.

Search Squad Fails To Net Cali Cartel Chief

PA1107191394 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 11 Jul 94

[From the "Midday Television Newscast"]

[Text] Miguel Rodriguez Orejuela, the alleged Cali Cartel chief, has escaped from a police manhunt in Santa Fe de Bogota. Rodriguez was at a public establishment, but just a few moments before special police units arrived, he left. The "Midday Television Newscast" was able to establish through an eyewitness that the search squad was on the verge of capturing Miguel Rodriguez Orejuela, an alleged member of the Cali Cartel.

Here is the story: On Saturday at 2200 in northern Santa Fe de Bogota, Rodriguez Orejuela arrived at a cafe-entertainment establishment accompanied by several men who were traveling in luxury cars. According to the witness, who asked to remain anonymous, Rodriguez Orejuela sat at a table accompanied by a woman and a minor. He asked for a whisky and then watched the show. According to reports, in the middle of the show, and after drinking a few whiskeys, he insulted the actors who were taking part in the show. At about 0100 on Sunday, Rodriguez Orejuela and his associates suddenly left the establishment without any explanation.

According to the eyewitness, what followed was a great surprise. Two minutes had not passed when some 500 men from the search squad appeared at the establishment in northern Santa Fe de Bogota and suddenly burst in, searching everyone present.

The failed operation, which included exhibiting photos of Rodriguez Orejuela, lasted about 30 minutes. The customers were questioned, and all of them agreed that Rodriguez Orejuela had indeed been there. The witness believes the man from the Cali Cartel was most likely warned; this is the only way he could have escaped from the search squad.

Evidence To Try Cartel Leader Obtained

PA1107220494 Madrid EFE in Spanish 2012 GMT 11 Jul 94

[Text] Santa Fe de Bogota, 11 Jul (EFE)—Sources of the Prosecutor General's Office announced today, Monday, that Colombian justice is about to try Miguel Rodriguez Orejuela, alleged leader of the drug trafficking "Cali Cartel," and that it has "solid evidence" for the first time to do so.

Officials from this office told the Colombian Radio Network (CARACOL) that the Prosecutor General's Office is investigating Rodriguez Orejuela for the traffic of 150 kg of cocaine to Costa Rica and that they have evidence implicating him to this case.

Miguel Rodriguez is the brother of Gilberto Rodriguez Orejuela, avowed chief of the "Cali Cartel" who was incarcerated in Spain in 1986 and was later deported to Colombia, despite a U.S. extradition request. In a controversial judicial decision, Gilberto Rodriguez Orejuela was released, however, when he got to Colombia.

The U.S. Drug Enforcement Agency (DEA) has accused the Rodriguez Orejuela brothers of managing 80 percent of the cocaine business entering the United States from southeastern Cali. Cali, the third largest city in Colombia, is the capital of the department of Valle del Cauca, an agroindustrial region.

The Rodriguez Orejuela brothers have always denied their ties with drug trafficking activities, and they have asserted that they have legal commercial and industrial ventures and that there is no evidence linking them to criminal activities.

The Rodriguez Orejuela brothers triggered a national scandal recently when tape recordings of their conversations with a reporter were disclosed. The conversation implied money had been offered to the presidential candidates who participated in the 19 June elections, which Liberal Ernesto Samper won.

Prosecutor on Freed Cartel Member

PA1107121194 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 10 Jul 94

[From the "AM/PM" newscast]

[Text] Serious judicial incidents are making the news today. The release of Hector Jairo Urdinola Perea, arrested in possession of 100 kg of cocaine, and the confrontation between the Prosecutor General's Office and the education minister over the killing of Andres Escobar are in the news. The prosecutor general gave his response.

The freeing of Hector Jairo Urdinola Perea, cousin of Ivan Urdinola, has shocked the Colombian people. He was arrested 15 days ago in possession of 100 kg of cocaine and weapons together with Humberto Montealegre Cardona and Harold Zapata Bedoya.

Judge Luis Alirio Moreno, of Roldanillo, has apparently applied the code literally without interpreting it. Others believe the judge misinterpreted the code and did not place those arrested at the disposal of the Prosecutor General's Office. The policemen who carried out the operation care little about the code and only see a frustrating act of impunity in this action:

[Begin Prosecutor General de Greiff recording] We have asked that the judge be investigated. We have also resumed operations to arrest the freed individual. [end recording]

The other argument was between the Prosecutor General's Office and Education Minister Maruja Pachon. The education minister said she does not believe the death of Andres Escobar was an incidental act, as opposed to the belief of the Prosecutor General's Office, which issued arrest warrants against Humberto Munoz Castro and brothers Santiago and Pedro Gallon Henao, as perpetrators of the murder.

[Begin de Greiff recording] I believe the decisions made by the Medellin prosecutors have been well done. The investigation is being conducted properly. How can an individual who was not even in the country—she just arrived—issue hypotheses on something about which she knows nothing? [end recording]

Retired Army Officer Leads 'Rift' in Cali Cartel

PA1107214294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 10 Jul 94

[From the "NTC News" newscast]

[Text] Security organizations determined today that there is indeed a rift in the Cali Cartel. The dissident group is reportedly led by K-6, a retired Army officer [Captain Jorge Eduardo Rojas Cruz], who became famous after being switched for another man and freed by his cronies in a Cali police garrison.

The arrest of Luis Benavides Medina, alias (Mitchel), a key man in the security network of the Cali Cartel kingpins, has revealed the rift in that organization. According to intelligence organizations, (Mitchel) belongs to the group CAS [expansion unknown], led by Jorge Eduardo Rojas, alias K-6, the man who was switched when he was to testify before a prosecutor.

Today, authorities know K-6 dissented from the Cartel and now controls his own laboratories in the jungles of Casanare Department. It is even known K-6 has recruited several men who have quit their jobs working for Cartel leaders.

Evidence of the rift is also the recent meeting between Ivan Urdinola Grajales and two high-ranking officials of the Prosecutor General's Office, at which they talked of a possible sentence reduction in return for K-6's surrender.

Future Foreign Minister on Drug Problem

PA0807121794 Santa Fe de Bogota EL TIEMPO in Spanish 4 Jul 94 p 6A

[Interview with Foreign Minister-designate Rodrigo Pardo by Jesus Ortiz Nieves of the EL TIEMPO editorial staff; place and date not given]

[Text] [Ortiz Nieves] One of the most frequently mentioned consequences of recent events is the deterioration of Colombia's image abroad. How will the new administration face this complex situation?

[Pardo] First it must be said that Colombia's image problem is very difficult, and it has been for many years. If recent events have proven anything, it is that it only takes one day to greatly damage the country's image, but it takes many weeks, months, and even years to repair that damage. The changes made during the Gaviria administration and the achievements made in the policy against drug trafficking, particularly, against narcoterrorism, improved the country's image. Unfortunately, this episode has thrown a great deal of those accomplishments out the window. Now we must work systematically and without haste, or better said, hastily but without thinking that achievements can be made overnight.

[Ortiz Nieves] Do you think the negative international image has been created by obvious and specific problems related to drug trafficking in Colombia? Do you think that to the extent that the image is improved, we must also attack certain complicated and difficult internal problems?

[Pardo] Undoubtedly, the negative image is based on real situations. It is true that there is a very grave drug trafficking problem in Colombia. It is true that there is a very grave human rights violation problem in Colombia. It is true that poverty levels in Colombia are very high. But it is not true that what this country is all about is drug trafficking, human rights violations, and poverty. This is a positive Colombia. A Colombia—as everyone has recognized—that has given birth to Fernando Boteros, Garcia Marquezes, Cesar Rincones, and even more than that, to the 36 million anonymous people who are not linked and do not want to be linked to drug trafficking and human rights violations and who are not evil but victims of these scourges.

There is another very important factor in explaining the negative image. One factor is the real problems, and the other is that the international community views Colombia with stereotypes that prevent it from understanding our country.

[Ortiz Nieves] If an individual violates the rights of another, the state protects the latter. But how can it be understood that a state agent violates the rights of a person and the two situations are viewed as similar?

[Pardo] I believe that just such a concept has been one of the obstacles preventing nongovernmental organizations from being more effective in improving the human rights situation in Colombia. The fact that guerrillas violate human rights does not mean that state agents can do it, too. Not recognizing, however, that human rights violations by guerrillas, paramilitary organizations, and the narcoterrorists fighting the Armed Forces is tantamount to turning one's back on reality, especially when the percentage of violations by these sources is greater, much greater than that by government forces.

[Ortiz Nieves] Drug trafficking and human rights are two basic factors that give Colombia its negative image abroad. Does this directly affect such things as trade, development, cooperation, technical matters, and so on?

[Pardo] It can affect us. Colombia's international commerce has been developing successfully. Trade, exports, and imports have increased. But we cannot ignore that these two problems, along with the ecological problem, are the most important issues on the international relations agenda. This means that at large forums, all countries, including the most developed nations, are worried about these issues. Consequently, they expect a certain type of behavior from Colombia. That means that whatever Colombia can do to achieve its national objectives of reducing or eliminating drug trafficking and human rights violations and of protecting the environment will be linked to processes under way at the international level.

[Ortiz Nieves] Within this context, isn't Colombia at a great disadvantage in the wake of the scandal that has been uncovered?

[Pardo] There is no doubt about that. The damage has been great. The cost is too high because the public in many countries in what we refer to as the developed world or the North believe that Colombia is not fighting drug trafficking. All you need is an unfounded report or a rumor for many people to believe it. We cannot make any mistakes because we have been stigmatized. There are many stereotypes and many oversimplifications in the way the drug issue is analyzed. That is why it is so important to restore the country's good image and strengthen its credibility. Our image has been distorted. This country is not run by drug traffickers. We are not a nation that is determined to let drug traffickers have their own way. On the contrary, the truth is—and Colombians are certain of this—that we have made more efforts and paid a higher price than any other country in the struggle against drug trafficking. We have been more courageous and have been more determined to fight it. We must change our distorted image and show the true situation.

[Ortiz Nieves] Moving on to another subject, Colombia is in a delicate situation in relation to its neighbors. Take Venezuela, for example. How will the new administration face the Venezuelan crisis and its effects on Colombia?

[Pardo] I think relations with Venezuela have always been difficult because we share problems and issues, a boundary that is 2,200 km long, a border population of 7 million people, a history of two nations that were once a single country, and several disagreements. Fortunately, we have found mechanisms to constructively handle bilateral matters and have made progress on topics where cooperation is more feasible, such as economic integration. Economic integration between Colombia and Venezuela advanced more between 1991 and 1994 than anywhere else in Latin America. Many problems that were headaches and cause for tension between the two countries are no longer problems because they are being handled constructively and have been properly channeled. I think that the two countries have learned a lot about handling difficult matters.

Now, we are facing difficulties that are not new; we have faced them in the past. Venezuela's difficult economic situation compelled President Caldera to take the necessary measures to overcome the crisis. It will be in Colombia's best interest if these measures are successful. If President Caldera can normalize the situation through these measures and stop the financial crisis, then integration will continue in the medium term. It would be bad for integration if the problems became worse or if the measures taken by Caldera failed.

[Ortiz Nieves] Would the effect be very serious for Colombia?

[Pardo] I think so. I believe that integration with Venezuela is very important for Colombia, and vice versa. Venezuela is the second largest market for Colombia's nontraditional exports; the United States is the first.

When I served as ambassador in Venezuela, I witnessed, for example, the arrival of many people from Colombia who were not big exporters or producers. They were people with small businesses, even microbusinesses. I received businessmen of microbusinesses at the Colombian Embassy in Caracas. They were people who found additional markets for their products through integration. They found the possibility to export. I am sure that they would have been unable to export had it not been for integration.

Something similar happened for Venezuelans. Venezuela found in Colombia a market for goods other than petrochemical or oil industry products. Colombia is the first market for Venezuela's nontraditional exports. Consequently, integration is extremely important for the two nations from the economic standpoint. I think that is clear not only to the governments, but to the private sectors of the two countries. That is why I believe that each nation will make every possible effort to preserve it. This is true speaking strictly from the economic point of view.

The two nations are obliged to coexist because they are neighbors, and they will be neighbors forever. They need to have a good relationship characterized by understanding and coexistence. I think economic integration has helped promote a climate for discussing topics on the bilateral agenda, including difficult ones. Colombians and Venezuelans have many things that unite us. It is true that there are problems and issues that can separate us, but there is much more that can unite us. Colombians and Venezuelans are basically a unique human group. The are very few differences between the common Colombian and Venezuelan citizen. They have ties of friendship, history, religion, and language. Many ties unite them. Therefore, I believe that it is essential to preserve integration.

[Ortiz Nieves] Now that there is a profound crisis in Venezuela, and we have economic ties that are like an umbilical cord, will the gulf issue be set aside?

[Pardo] No. I believe that we can continue to discuss the border issue as we have been doing so far, through a commission made up of people representing the political forces. This commission has been doing its job quietly, through bilateral negotiations, because that is the mechanism the two countries agreed upon. They are following a mechanism established in the San Pedro Alejandrino Document. The negotiating commission is in charge of five [number as published] topics: immigration, navigation in international rivers, increased border demarcation, and river basins. There can be differing viewpoints on all these topics, and even differing interests between the two countries, but the key element is to agree on the mechanisms to discuss them.

Ecuador

President Appoints Constitutional Reform Commission

PA1207042994 Quito Voz de los Andes in Spanish 2300 GMT 8 Jul 94

[From "The Voz Andes Newscast"]

[Text] President Sixto Duran Ballen has appointed a commission of notables to begin reforming the Constitution. Duran Ballen's critics claim, however, this action is only a maneuver to recover his lost popularity.

The current Constitution does not meet the requirements of a country that demands a modern, fair, dynamic, and viable political system and institutional apparatus, Duran Ballen argued during a speech.

In addition to the commission, which will consist of renowned jurists and representatives of the country's major sectors, the government will hold a referendum on 28 August on several aspects of the reform. The referendum will ask Ecuadoreans about their views on the topic of reelection, whether legislators should devise or be authorized to approve the budget, and whether they should be authorized to manage public funds.

Minister: Venezuela 'Exception' to Andean Pact

PA1207015094 Madrid EFE in Spanish 1648 GMT 7 Jul 94

[Text] Quito, 7 Jul (EFE)—Jose Vicente Maldonado, Ecuadoran minister of industry, commerce, and integration, said here today that the economic measures taken by the Venezuelan Government have made that country an "exception" in the application of principles of the Andean Pact, which also includes Bolivia, Colombia, Ecuador, and Peru.

The minister said such measures conflict with the macroeconomic policy prevalent in Latin America and the Andean Pact, which are advocates of free trade, a liberal economy, reduced state participation, and the free marketing of currency.

Maldonado said the governments of the five Andean nations are keeping in contact with a view to holding an "urgent meeting" of the Cartagena Agreement commission, at which time Venezuelan Integration Minister Alberto Poletto must explain the changes in his country.

The meeting was originally scheduled for 12 and 13 July but will not be held on those dates because Venezuela has expressed some doubts and suggested it be postponed.

The Venezuelan Government on 30 June assumed total control of the financial and monetary exchange system to prevent an upset of the national economy.

The Ecuadoran industrial sector is "concerned" about the Venezuelan economic situation because it might delay the signing of the Andean Common External Tariff (AEC).

Industrialists fear the intervention of the Venezuelan Central Bank means the disposal of its monetary reserves. It will possibly try to recover the reserves by increasing exports, which would affect the foreign trade of the Andean countries involved.

Gustavo Pinto, president of the Quito Chamber of Industries, told EFE that the measures adopted in Venezuela are "a dangerous political and economic risk" because calling off talks on foreign exchange implies having to adopt measures to prevent the bolivar from losing its buying power.

Ecuador's industrial sector is afraid despite the fact that the selling price for the dollar has already been established. The foreign exchange situation in this country, however, will remain suspended until 11 July due to the absence of a specific mechanism to implement the exchange control measures announced by the government.

Peru

Colombia's Gaviria Arrives on Official Visit

PY1207013894 Madrid EFE in Spanish 2240 GMT 11 Jul 94

[Text] Lima, 11 Jul (EFE)—Colombian President Cesar Gaviria today arrived in Lima for a two-day official visit to Peru and was welcomed by his Peruvian counterpart Alberto Fujimori at the Eighth Air Force Group airport.

Gaviria, who arrived at 1615 local time (2115 GMT), and Fujimori reviewed the troops shortly after the Colombian president left the Colombian Air Force plane that transported him to Peru.

The visiting president was granted the corresponding honors, after which the national anthems of the countries were played.

Gaviria is accompanied by Foreign Minister Noemi Sanen de Rubio and other Colombian ministers and officials.

Gaviria and Fujimori are scheduled to hold their first working meeting in the next few hours at Government House in Lima.

After the meeting with his Peruvian counterpart, Gaviria will be received by a special session at the Lima City Hall, where he will be declared an "illustrious guest" and given the keys to the city.

On Monday night Fujimori will fete Gaviria and the members of his retinue at a dinner party at Government House.

On Tuesday, the Colombian president will be received by a special session in Congress and will sign several agreements with his Peruvian counterpart before returning to his country.

The purpose of Gaviria's visit is to assess, together with Fujimori, progress in the bilateral integration field and to sign agreements to strengthen the mutual cooperation between the two countries.

Among the agreements the two chiefs of state will sign are accords related to public health, judicial cooperation, united efforts in the struggle against drug trafficking, and the broadening of bilateral trade.

Importance of Legislation Against Poppy Viewed

PY1107184394 Lima EL PERUANO in Spanish 27 Jun 94 p A8

[Text] The decision some weeks ago by U.S. Government to withdraw the radar installations used to detect the light planes that transport drugs caused great concern in Lima and Bogota. And rightly so if we consider the support radar represents to the Peruvian and Colombian Air Forces in their drug enforcement effort. Washington justified the decision, citing violations of international civil aviation legislation.

Two days ago, however, President Bill Clinton asked Congress for authorization to renew the support as soon as possible. We believe this follows the discussions at the appropriate level of the U.S. Administration about the suitability of the measure. If this renewal is authorized, we believe a new joint drug enforcement effort will be well received because the problems go beyond simple unilateral action.

Before the U.S. presidential announcement was made, the Peruvian Government had already announced its decision to continue the total war against drugs with the means available. A demonstration of this was the promulgation of a law that incorporates in the Penal Code the crime of cultivating, promoting, facilitating, and financing poppy growing: Law 26332 establishes penalties of imprisonment from eight to 15 years in addition to fines and prohibition to plant for 180 and 365 days.

The penalties for growing poppies are based on the risk that it may snowball due to its low sowing cost and its easy adaptation to different weather conditions. It is also known that the price paid by traffickers is higher for poppies than for coca.

Therefore, these decisions are encouraging in the struggle against illegal drugs. The social factor, which has not yet been resolved, should not be forgotten. This involves peasants who have been forced to try illegal crops due to the low profits of others. From this perspective, the proposal of alternative development continues to be valid as a basic solution to this serious problem.

Fujimori Provides New Planes For National Police

PY1107230594 Lima EL COMERCIO in Spanish 28 Jun 94 p A4

[Text] During a tour of different zones of the capital for more than five hours yesterday, Peruvian President Alberto Fujimori dedicated the new emergency service at Archbishop Loayza Hospital, handed over new airplanes to the National Police, and inspected Army work in six human settlements.

During the ceremony marking the dedication of the new emergency service, the president praised the tremendous contribution that hospital service is making to the poor.

Previously, President Fujimori paid a visit to the Police Air Division, where he handed over three medium-size Y-12 Chinese-made planes.

The president stated that these planes were purchased following his observation, gleaned during frequent trips to the interior of the country, that the National Police are making a tremendous sacrifice to defend order and security.

He said that these three planes represent the beginning of a support program for the National Police, which render service in defense of domestic and foreign security. These planes will help the personnel to move more comfortably and in a timely manner.

Present at the ceremony together with the president were Interior Minister Juan Briones Davila, Transport and Communications Minister Dante Cordova, National Police Director Victor Alva Plasencia, and Police Inspector General Antonio Ketin Vidal Herrera, former chief of the anti-terrorist board.

Referring to the program to equip the National Police, the president said that two more "Antonov" planes and 20 fast boats will be purchased for service in the jungle. He also noted that 1,000 patrol vehicles will be acquired.

After the blessing of the airplanes, President Fujimori and ministers Briones and Cordova, as well as the top National Police officers, boarded one of the planes, which, with police pilots in the cockpit, overflew Lima for 20 minutes.

In the afternoon the president said that the pacification process "is in effect without any setback, thanks also to the implementation of the Repentance Law."

"However, I do not rule out the possibility of making small adjustments in the future," he said, and added that the judicial branch organization is still in the hands of the Disciplinary Board for Magistrates, which is in charge of designating the magistrates.

Legislators Investigate Secret Bank Account

PY1207034894 Madrid EFE in Spanish 1615 GMT 11 Jul 94

[Text] Lima, 11 Jul (EFE)—Today a commission of the Peruvian Congress will continue its investigations in the Grand Cayman regarding a secret bank account in former President Alan Garcia's name in which millionaire level sums of money intended as bribes were allegedly deposited.

The bank secrecy regarding this account in the Barclays Bank was lifted two weeks ago by order of the Grand Cayman Great Court, and it was learned that it belongs to an enterprise of Peruvian citizen Alfredo Zanatti, a friend of Garcia who has been sought by the court since 1991 for having committed fraud against the Peruvian state.

Zanatti's enterprise, Worldwide Financial Holdings, however, has refused to give the Peruvian legislators information on the bank account and has appealed the Great Court's ruling lifing the bank secrecy.

The appeal will be discussed today during a public session of the Great Court that will be attended by the Peruvian legislators who hope the Great Court will ratify its decision and that Worldwide will immediately comply with the court order.

Legislator Fernando Olivera said that Zanatti's enterprise "intends to conceal valuable information" and commented that "some are scared stiff" the Court will ratify its previous ruling.

Olivera commented that with the lifting of the bank secrecy, the commission hopes to learn the identity of the owners of the "G & P" enterprise, one of the beneficiaries of the secret bank account, "which, just by chance, bears the initials of Alan Garcia Perez's surname."

The former president has been accused of having received $1,040,000 from the Italian consortium Tralima, for having awarded it the construction of the unfinished Lima surface electric train in 1989 and 1990.

These charges were made by the Tralima delegate in Lima, Italian citizen Sergio Siragusa, who also revealed that Garcia himself gave him the secret code of the Barclays Bank account.

Meanwhile, the Peruvian media today reported that another of Zanatti's enterprises, the "Faucett" airline, was involved in a case of weapons trafficking in 1990.

The television program "Contrapunto" disclosed documents issued by the U.S. Florida District Court stating that Jose Manuel Rivera, who at that time was Faucett's chief security officer, was arrested that year when trying to illegally ship weapons to Lima.

According to the report issued by officer Deborah Placey, who intercepted the shipment, it comprised 15

submachine guns; Ruger Mini 14 semi-automatic rifles [no figure given], capable of perforating armored surfaces; one Beretta pistol; and 75 boxes of ammunition.

Subsequently, the U.S. court also found that Rivera had coordinated the purchase of 15 semi-automatic Marlin rifles.

Rivera revealed that he purchased the weapons with money belonging to Faucett and was released after the enterprise paid $250,000 for bail, according to the report.

Later, he was sentenced to four months imprisonment and two years of freedom under surveillance, but he never served the sentence because he fled to Peru.

Rivera, a former Army capitan, was shot and killed under strange circumstances in October 1993, when he was head of the security system in San Borja District, Lima.

High-Ranking Navy Officers Receive Sentences

PY1207023594 Lima LA REPUBLICA in Spanish 25 Jun 94 p 2

[Excerpts] Eight high-ranking Navy officers, among them a vice admiral and four rear admirals, yesterday received light sentences ranging from 30 days to 30 months imprisonment for their confirmed responsibility in an embezzlement case involving millions of dollars committed in the Peruvian naval attache's office in Washington D.C.

Thus, the much-ballyhooed embezzlement case was concluded, at the military court, that is. In this case, retired Captain Enrique Villagarcia withdrew, with the consent or negligence of the top command, a total of $11,234,371.

Rear Admiral Guillermo Simpson Villagarcia, cousin of Enrique Villagarcia, was the officer who received the longest prison term.

The rear admiral was sentenced to 30 months imprisonment and fined $80,000 as civil indemnity for the crimes of negligence, disobedience, and fraud.

According to the preamble of the military court ruling, Rear Admiral Simpson, former naval attache to Washington in 1988, had withdrawn the retirement funds from the Navy without authorization. [passage omitted]

The second officer to receive punishment, although for reasons different from fraud, was Rear Admiral Guillermo Tirado Villena, former naval attache to Washington, who received an 18-month-imprisonment term and the expressed obligation to pay $5,000 to the Navy.

According to what was established by the court, Rear Admiral Tirado, in addition to acting negligently in controlling the Navy funds, also committed the crime of insulting a superior officer, harmful to Navy Commander General Alfredo Arnaiz Ambrosiani. [passage omitted]

Juan Soria Diaz, former interior minister during the American Popular Revolutionary Alliance Party regime, was found guilty of negligence, and was sentenced to three months imprisonment.

However, according to what was decided by the court, Soria Diaz already served this sentence because he was held in custody at the Callao Naval Base from 18 June to October 1993.

Vice Admiral Gonzalo Gambirazzio Martini, former inspector general of the Navy, was found guilty of negligence but was not sentenced to any imprisonment term because said crime already expired.

This officer was in provisional custody from June to September 1993.

Rear Admiral Julio de los Rios Rosas, former naval attache to Washington during the 1984-85 period, was sentenced to one year imprisonment and fined $5,000 as civil indemnity to the Navy.

His responsibility is serious, according to the military court, because he authorized Captain Enrique Villagarcia to transfer funds via telephone. Likewise, a $5 million fraud was committed during his term in office.

De los Rios Rosas was held in custody last year, between May and June, and this will be deducted from the sentence he received yesterday. Thus, this officer will be set free on 23 March 1995.

Rear Admiral Enrique Brain Valencia was also sentenced to one year imprisonment for the crimes of negligence and disobedience. His sentence, taking into account the four months he was under arrest, will end on 26 March 1995. [passage omitted]

IAEA Grants $1 Million for Research Programs

PY1107133094 Lima EXPRESO in Spanish 27 Jun 94 p A8

[Text] The International Atomic Energy Agency (IAEA), a specialized UN organization that promotes the peaceful use of atomic energy, will grant $1 million to Peru to support its various nuclear and related research programs.

The Peruvian Institute of Nuclear Energy (IPEN) announced that the IAEA has just approved 16 requests for technical assistance for various projects submitted by Peru over a two-year period.

Among the approved programs is one to assess the hydraulic potential of the Peruvian southern altiplano region—which includes the departments of Moquegua, Tacna, and Puno. Also included are programs by the National Agrarian University and the San Marcos University to improve livestock productivity.

The two-year program, which will begin in 1995, includes projects to improve the technological infrastructure of IPEN, the Peruvian institute that guides technical assistance in the nuclear field.

New 'Decentralizing People's Force' Created

PY1207025694 Lima LA REPUBLICA in Spanish 28 Jun 94 p 3

[Excerpt] Decentralizing People's Force [Fuerza Popular Decentralizadora], headed by Alberto Borea Odria, is the name and battle cry of a new political party that emerged last night in the Peruvian political arena.

Borea himself issued the "birth certificate" of this new political party during a ceremony attended by some 100 independent men and women as well as representatives of various ideological tendencies seeking a different alternative to the traditional political parties.

The founding ceremony took place at a premise on block 18 of Francisco Lazo Avenue, Lince district.

Former deputies Edgar Teran Iriarte, Dennis Falvy, and physician Raul Cantella, all well-known democrats, appeared as co-founders of the party with Borea, who resigned as member of the Christian Popular Party only a few weeks ago.

Edgar Teran Iriarte for many years now has been carrying out social work in the Lima shanty towns and other cities of the country in an attempt to cushion the effects of unemployment and extreme poverty.

Economist Dennis Falvy is also well-known for his constant criticism regarding the current government's implementation of an extreme neoliberal economic policy.

As he announced the creation of the new political party, Borea said last night said that as its name states, the Decentralizing People's Force intends to attain the complete decentralization of Peru, as a main step to lead Peruvian society "toward a process of economic progress with social unity."

Borea said: "We did not want to unilaterally decide what sort of organization to give our movement because we believe it is time to overcome those times when the leaderships decided and imposed their decisions in a vertical manner with regard to how to get organized and what tendency and aspirations the members of the party should have." [passage omitted]

Uruguay

Herreraist Sector Selects San Jose Mayor as Vice Presidential Candidate

PY1107181294 Montevideo EL OBSERVADOR ECONOMICO in Spanish 4 Jul 94 p 8

[Text] San Jose Mayor Juan Chiruchi will be Juan Andres Ramirez's running mate on the Herreraist sector's ticket.

Chiruchi, Deputy Carlos Garat, and Deputy Luis Alberto Heber will resign from the list headed by Senator Juan Carlos Raffo to join the slate promoted by Deputies Heber and Jaime Trobo.

Both subjects will be analyzed during a meeting of the Herreraist sector's executive board today at 1000. Blanco Party sources told EL OBSERVADOR ECONOMICO that Ramirez will inform the executive board that Julia Pou, the first lady, decided not to run for an elective office. Chiruchi was thus offered the vice presidential candidacy, which he accepted.

Explaining this decision, a source close to the presidential candidate said Chiruchi "meets the requirements for the Herreraist sector and complements Ramirez." This issue was settled on 1 July, when President Luis Alberto Lacalle's wife—through an envoy—advised Ramirez of her final decision not to stand as a candidate. Blanco Party sources reported that Lacalle's firm refusal, as well as other personal and family considerations, led the first lady to confirm her position.

Following the first lady's refusal to be his running mate, Ramirez considered two possible candidates, namely Heber and Chiruchi, who both enjoy "a good level of popularity" nationwide according to a public opinion poll the Herreraist sector handles. The same sources reported that Chiruchi was finally selected because he is "from the interior, is close to agricultural producers, has a good knowledge of the country—especially the key departments needed to win the election—and is held in great esteem due to his excellent administration at the San Jose town hall."

During the meeting Heber and Trobo will announce their intention to field another list of candidates for the Senate, which will cause "internal rearrangements." The same sources state that Chiruchi and Garat will withdraw from the official list headed by Raffo to join the new one. This will cause a new internal situation since Raffo and Uruguay Tourne would be the only ones left on the slate approved by the Herreraist sector convention.

Raffo "will demand" that "commitments made" should be respected. He might otherwise seek new political options.

Montevideo Mayor Resigns To Run in Elections

PY1107143694 Montevideo LA MANANA in Spanish 5 Jul 94 p 13

[Excerpt] At noon on 4 July, Tabare Vazquez submitted his resignation as mayor of Montevideo, thus confirming the LA MANANA article published on 3 July.

Vazquez left his job as mayor to focus fully on the Broad Front's election campaign. Until 4 July he had not decided when to leave but strong onslaughts from inside and outside the Broad Front that its policy, which Vazquez has been heading from the Ladrillo Palace [seat of Montevideo's mayoralty], prompted his resignation.

The official bloc of the Departmental Board accepted Vazquez' resignation at 1900 on 4 July during an extraordinary session called to study the resignation. [passage omitted]

Broad Front Closes Congress 'Amid Chaos'

PY1107151894 Montevideo EL PAIS in Spanish 4 Jul 94 p 9

[Text] After three days of deliberations— amid chaos and a lack of organization—the congress of the Broad Front failed to overcome its differences and decided to ask the Political Management Department to continue to seek a "broad-minded opening" on the basis of a programmatic agreement at the national level. One motion failed two times to achieve the required two thirds majority. The third vote by 2,079 delegates finally approved it by 1,403 in favor (66.78 percent) to 667 votes against, plus some abstentions. A political agreement was thus approved that permits the candidacy of persons who do not belong to the Broad Front, which allows Rodolfo Nin Novoa to become Tabare Vazquez' running mate. A nine-member advisory commission will be created to help the Political Management Department. It includes one member from each of the three national organizations, three from the coordinating and departmental organizations, and three from the presidency. Tabare Vazquez for the presidency and Mariano for the mayoralty of Montevideo were proclaimed by acclamation.

The coalition's main organization gives a free hand to its members regarding a reform of the Constitution that will be voted on 28 August.

Of a total of 2,154 votes, 1,165—some 54.09 percent—supported the motion to vote negatively. A total of 965 votes, 44.8 percent, decided to support the proposal to maintain unity and thus the right to vote freely. [All figures as published] They believe this because of the lack of a profound debate and the internal disagreements (not even the Political Management Department obtained a majority). As a two-thirds majority is needed to approve a measure—which neither of the two motions achieved—the congress decided on freedom of action. There was full support for the issues on education and social security that will be voted through a plebiscite to be held with the national elections in November.

Regarding international policy, there was unanimous support "condemning the attitude of the United States; for the proposal to support Cuba in its struggle;" and for the "Broad Front's National Directorate to join the 'Sao Paulo Forum,' which is an option for Latin America's progressive and anti-imperialist forces."

Three resolutions were issued regarding overall policy and general aspects of the economy. The first proposes the creation of a Foreign Trade Ministry; the second, which did not obtain the necessary two-thirds vote, refers to integration policy, Mercosur [Common market of the South], and the Treaty of Asuncion. In light of this the stipulations of the 1991 sessions continue in force. At that time Congress decided to give critical support and to "centralize the fight against the internal economic policy," according to Danilo Astori, when he defended the treaty. Astori said: "Uruguay has only one strategy, that of accumulating strength in the region. Basically that plan will be carried out with our neighbors, Argentina and Brazil." The third resolution deals with the foreign debt. After defeating a motion that called for a 3-year moratorium, it was decided to support the renegotiation of the debt within a debtors club, as decided by the 1991 Congress. There was support for nationalizing the banking sector, the participation of women in elective posts, and the lifting of the penalization on abortion. Danilo Astori's statement was remarkable: He said he will meet with Tabare Vazquez to evaluate the economic proposal that the coalition will propose during the election campaign.

Venezuela

Government Not To Accept Haitians If U.S. Refuses

PA1107235894 Madrid EFE in Spanish 2249 GMT 11 Jul 94

[Text] Caracas, 11 Jul (EFE)—Venezuelan Interior Minister Ramon Escovar said today Venezuela will not accept contingents of Haitian refugees if the United States refuses to receive them. The minister said they are willing to accept, in principle, certain Haitians who can prove they are truly politically persecuted, but they will not accept people who do not qualify.

Escovar said "Venezuela cannot indiscriminately receive people," and he said if the Haitians who throw themselves into the sea "do not enter the United States, we see no reason for them to enter Venezuela either." The interior minister added: "Those who are really refugees, according to UN norms, will have no problems coming to Venezuela. I am not referring to the case of the Haitians, however."

Venezuelan Foreign Minister Miguel Angel Burelli has announced the Venezuelan Embassy in the United States will be in charge of identifying and separating the political refugees from other applicants for resident status in Venezuela. Burelli also said Venezuela is willing to receive temporarily a reduced and qualified group of Haitians.

Caldera Address on Social Programs

PA1107183694 Caracas Radio and Television Networks in Spanish 1633 GMT 11 Jul 94

[Address by President Rafael Caldera from the Ayacucho Room at Miraflores Palace in Caracas; broadcast in progress—live]

[Text] ...greater number is an effort to which we are all committed. The government must encourage and promote, but it cannot do this without generous, responsible, and thoughtful help from every sector of society.

We have talked about the various areas in which the government is conducting work in its attempts to resolve the most serious aspects of the social situation we are confronting. The community fairs we established to provide people with basic staples represent a good beginning, and they have offered a great deal of encouragement. Many have said that these fairs allow true market competition, because the prices of products sold at the fairs encourage other producers and retailers to reach out to the consumers.

The establishment of low income pharmacies, as part of the struggle to lower the price of medicine—something that weighs heavily on the people's pocketbooks—is something for which all of us must strive. I am committed to ensuring that the idea of generic medicine becomes a reality. This is why a few days ago I met with the ambassador and a group of representatives of a country that produces a great deal of generic medicines. Over the past few days, this country has not been very popular because of the World Cup—I am talking about the Bulgarians. The Bulgarians are offering us generic medicines. Just as other competitors do, we will need help from professionals in the medical field to make these generic medicines available to the consumers. If the doctors do not help guide patients on the use of generic medicine, then this will simply remain an illusion and a dream.

Distribution of medicine at outpatient clinics and the opening of pharmacies for low income families and groups, both of which can be achieved through community participation, are means that are now starting to open to us. For this to happen, we need facilities and uncontested understanding between the pharmaceutical distributors and those working in the medical field. These are the people who are affected by the high cost of products provided by some laboratories and the unavoidable demands made by consumers who are distressed by the situation.

We are struggling to ensure that low income neighborhoods are properly equipped. We are not only talking about reinstating low-cost housing programs. Had these programs not been interrupted over the past few years, the situation faced by many Venezuelan families would be resolved today. To provide housing requires that we offer the people appropriate facilities for a more active, more humane, and more organized life. It means providing them with roads, potable water, sewage, and buildings for group activities.

We must also create an awareness of the need for community integration. As has already been stated here very clearly and unequivocally, without the participation of the communities, all efforts are futile. Without this participation, all measures the state and society adopt become populist, demagogic, and insignificant acts, which distort, disorient, and convert society into a beggar for available benefits, and this fails to truly pave the way for social progress.

This is why we are also strengthening existing plans. We are studying these plans and structuring them to make them more effective. The free lunch program must change with the times. It must be transformed in such a way that it will really guarantee food for children. [applause]

Schools must once again become the heart of the community, and they must offer students a balanced and hearty meal. This plan will ensure healthy children. It will not encourage corruption, and it will not dishearten the people.

We want to ensure that all of these services operate effectively. When we see the efforts being made in the public and private sectors, we see that we have ample resources. If put to proper use, and if properly organized and managed, these resources can make Venezuela a pleasant country in which to live, a country that inspires progress, and a country in which the people who are polled will not merely say their standard of living is good but, rather, say they are convinced that it will improve over the next few years. This calls for a great effort, and we are willing to make this effort.

We wish to reiterate our commitment made to the Venezuelan people on that memorable day, 5 December 1993. This is why we wish to defend all those things that can be developed for the community's well-being. We want small and medium-size enterprise to survive and to create jobs. We want to provide adequate training for those young men and women who do not have jobs or help them go to school so that they can qualify and learn to create micro-enterprises. This has had very good results, even in some Latin American countries. This is the best solution to the terrible problem of unemployment that affects us.

The education and health budgets get the most money in Venezuela. We know that the deterioration in education and health services is one of the greatest reasons for complaints by the citizens. The cure for this is not easy. In order to correct this, we must awaken and redirect the teachers, professors, and doctors—the professionals working in the areas of health and education. These sectors feature outstanding human resources and outstanding human values, but they also feature an infiltration by a great deal of corruption. In Venezuela, this corruption is to blame for the problems, abandonment, and negligence encountered by the users of these services. It is also to blame for the lack of interest and importance given to the users of these services, in other words, the sick and the children.

We are making a very big effort to correct this. We are bent on making the necessary changes. We want to make our hospitals more efficient. We want the education system to respond to the goals and efforts being made.

To do this we need the full and decided support of the people. To make the changes we need in the education system we not only need the help of the teachers but also the support of parents and guardians. We know that to make changes in our hospital system—and this is essential—we not only need the decisive response of the medical field but also the support of the users, the sick, the people.

We must do this work. Amid the tremendous problems we have had to confront, amid an economic and financial crisis that has absorbed a lot of money that could have been used for nobler and more constructive causes, we courteously, sincerely, and honestly invite the Venezuelan people to cooperate. I wish to remind you of the pope's words: We must all be responsible for each other.

The social problem is definitely the result of the burdensome standard of living problem. The inflationary pressure we have experienced in the past few days was unleashed by the crisis in the financial system. We, the Venezuelan people, never thought that the banking system's crisis was as big and deep as it is. This crisis has affected the foreign exchange market. Our currency's value has been affected; this is unacceptable. It has even threatened the reserves that our Central Bank guarantees for the operation of the country's economy. When we were forced to adopt serious and delicate measures—which we would have preferred not to adopt—like the establishment of an exchange control, we were thinking not only about the economy but also how it would affect the people. The Central Bank implemented a devaluation plan in the hopes of solving our foreign exchange market problem. However, this plan resulted in a skyrocketing of prices which was worsened by speculation that only made the situation worse for the lower income and middle classes. They have been strongly affected by this situation.

For this reason, when establishing those measures we have established rules that guarantee monetary stability and, at the same time, represent a necessity, a safeguard, and a guarantee for our international reserves. This also has led us to implement a price control policy. We would have liked to have averted this measure—a measure that today is greatly needed. Our social plans would have been destroyed had we not adopted the decision to stop the increase in the price of basic products. These prices were skyrocketing, and I do not know where this would have led us.

The minimum wage, which we increased just two months ago, is now said to be insufficient. We are now complementing it with a food and transportation subsidy, which will protect and ease the burden on workers who earn less than 45,000 bolivares a month. This is being done out of a sense of social concern and for the reasons detailed above.

We have therefore established a series of rules that are designed to bring relief to the current situation. Nevertheless, we need a deep-seated national commitment—a commitment of solidarity that includes everyone's resolve—to lift Venezuela out of its current situation.

I have absolute faith in the country's future. The country has a great deal of resources. The country has extraordinary natural resources. We can still depend on wealth from oil, which is not something we oppose. On the contrary, we favor strategic mergers that develop this source of income. We know that oil and mining riches give us immeasurable resources. The petrochemical industry offers a great deal of potential. For Venezuela, mining is going to represent an extraordinary source of wealth, which we will have to regulate, conserve, and utilize efficiently.

We also have unprecedented human resources. We have financial resources. Despite the economic situation we are enduring, when we established currency controls, we did so with the conviction that the Central Bank would receive enough foreign currency income to cover all imports, all of the nation's international commitments, and all of our commitments to investors, as well as enough to provide adequate facilities to citizens who have the right to make overseas transactions.

All of this represents an open path. This path demands a great effort—a great effort in terms of solidarity—as well as a great deal of understanding. We must end the gloomy attitude of rejecting everything, denying everything, and doubting the programs that have been presented. We want the country to watch over us; to help us in our struggle against corruption; and to help us work against those activities, morbid thoughts, and actions that threaten us in every way and that remain dormant in a full range of national activities.

We also need encouragement. We need the people to know that we are working for everyone and that we are not defending an administration, a party, a man, or the reputation of any group. We are fighting an all-out battle for Venezuela. This struggle for Venezuela has made us adopt the measures decided upon over the past few days. These programs, which are vital, will be broadened as the country's economic, social development, and political situations require.

If we suspended constitutional guarantees, it is because of the need to ensure that these measures were not undermined. If we suspended the guarantees that protect homes, it is because without such a move, we could not detect places in which indecent and improper hoarding was taking place—hoarding that removed essential goods from the market at a time when the people needed them most. If we suspended private property guarantees, it is not because we intend to snatch property from rightful owners. It is because we want to have an opportunity, through the application of exchange controls, to seize from those who wrongly trade in foreign currency outside of established rules and, in turn, effectively punish those who wish to disturb these rules. The country understands this, and the country is aware that

the sacrifice we are imposing is aimed, in one way or another, at preventing worse hardships and sacrifices.

Your presence here honors us, and it fills us with the true belief that we will achieve what the country demands.

We derive our strength from hope and from our assurance of success. We are going to uphold the argument, the idea, and the conviction that to govern requires an effort that demands the solidarity and participation of everyone. It is also for the benefit of everyone, and especially for those who have the greatest needs. The people will always and necessarily serve as our guides.

Social justice has been the rule that we have applied since day one: When we reformed taxes to end the VAT [value-added tax], and when we established higher taxes for those who earn more, we did this based on ideas inspired by social justice. We believe that justice must be sweeping, and justice within the social sector is essential to enable us to attain well-being, peace, and understanding among mankind.

Ladies and gentlemen, thank you for attending, and many thanks for the contributions you are making toward Venezuela's well-being. [applause]

Congress Asked Not To Revoke Guarantee Suspension

PA1007013094 Caracas Union Radio Network in Spanish 2200 GMT 7 Jul 94

[Report by Vicente Briceno from "Union Radio News" newscast]

[Text] The executive branch would be very upset if the National Congress revoked the suspension of constitutional guarantees, the only instrument that could be used as the legal basis for adopting the recently announced emergency measures .

Tulio Alvarez, who was appointed presidential spokesman for legal matters, recognized that the legislature has the authority to revoke the decision. He added, however, that it should not take such an action until the factors that forced the government to adopt the measures are no longer present. Alvarez said the presidential decree made it possible to implement foreign exchange and price controls and to take steps to supervise and reorganize the financial system.

Alvarez denied President Rafael Caldera intends to stage a Fujimori-like coup if Congress revokes the suspension of constitutional guarantees because all actions have been taken within the framework of democratic institutionality, and that code of conduct will not be broken.

[Begin Alvarez recording] We will continue to struggle against speculation, money laundering, and any black market that could develop. The executive branch is obligated to repress all those illegitimate and illegal activities. The only way to repress them is to suspend constitutional guarantees. It would be impossible to repress speculative and illegal activities promptly through normal channels. [end recording]

Alvarez said the executive branch will not allow persons responsible for the crisis to try to invoke constitutional guarantees to avoid complying with their legal obligations. He added that the government is doing everything it can to overcome the crisis, but as long as it continues, constitutional guarantees will remain suspended.

Interior Minister: Guarantees To Be Restored 'As Soon As Possible'

PA1207043394 Caracas Union Radio Network in Spanish 1100 GMT 11 Jul 94

[From the "Union Radio News" newscast]

[Text] Interior Minister Ramon Escovar Salom has said guarantees will be restored as soon as possible. He has said the country is calm, adding that public opinion should fully support President Rafael Caldera, because there has to be unity to overcome the crisis.

Concerning the suspended guarantees, the interior minister has said the restoration of guarantees depends on the legislative measures that are to be adopted and, of course, on several actions that were not announced.

Suriname

Haitian Refugee Camp May Be Set Up

BR1107130294 Amsterdam DE VOLKSKRANT in Dutch 9 Jul 94 p 1

[Article by Linda Otter: "Haitian Boat People May Go To Suriname"]

[Excerpt] Paramaribo—A camp to receive Haitian boat people may be set up in Suriname. On Friday [8 July] evening, U.S. Ambassador Gamble raised this possibility for the first time in a conversation with Foreign Minister Mungra.

Nothing is known regarding the outcome of the conversation, but according to H. Eersel, head of the U.S. department at the Foreign Ministry, the expectation in the air is that the U.S. ambassador will submit proposals to Mungra that a refugee camp be set up in Suriname. "Camps of this type are being set up throughout the entire region. We will talk about the feasibility of such a plan. The Americans will first have to come up with a proposal," Eersel said. [passage omitted]

Military Likely To Join UN Forces in Haiti

BR1107131094 Amsterdam DE VOLKSKRANT in Dutch 11 Jul 94 p 3

[Article by Linda Otter: "Suriname Likely To Contribute To UN Peacekeeping Force in Haiti"]

[Text] Suriname will possibly be sending 50 soldiers to join a multinational UN peacekeeping force to stabilize the situation in Haiti. Last Wednesday, senior U.S. Government representatives held secret talks on the subject in Paramaribo with Defense Minister Gilds and Foreign Minister Mungra.

In addition to Suriname, other countries in the Caribbean region are also being asked to contribute to a peacekeeping force which may be deployed if Haiti's military rulers led by General Raoul Cedras withdraw. This week, the United Nations is to pronounce on the U.S. proposal to set up a peacekeeping force of between 9,000 and 12,000 military and civilian personnel. The U.S. Government is counting on more than half of these coming from outside the United States.

Surinamese President Venetiaan will be discussing this matter today [11 July] with Ministers Gilds and Mungra. The discussions will also cover the U.S. request to accept 2,000 refugees for a period of six months. If the proposals are approved, tent camps or huts can be erected in the savanna region around Zanderij airport and the Ayoko barracks.

According to a senior Foreign Ministry official in Paramaribo, Suriname will have to make effective arrangements to ensure that the refugee operation runs smoothly. Although the Americans have already agreed to meet the costs of accommodating the refugees, Suriname still has its doubts.

Two years ago, Suriname opened its borders to 60,000 highly trained Haitian refugees who were employed on the country's farms. Many of them have since left because as political refugees they refused to accept heavy, unpaid work. The rest have integrated into the Haitian community in Suriname, which numbers some 2,500 people.

The Caribbean countries of Antigua, Barbados, and the Dominican Republic have already agreed to accept 2,000 refugees each. It is not known whether these countries will be prepared to contribute to a peacekeeping force.

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